

FBIS**DAILY REPORT
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RENMIN RIBAO ON MITTERRAND'S VISIT TO U.S., USSR

HK141138 Beijing RENMIN RIBAO in Chinese 12 Jul 86 p 7

[Commentary by staff correspondent Ma Weimin from Paris on 11 July: "Between the United States and the Soviet Union -- President Mitterrand Visits the United States and the Soviet Union"]

[Text] It must be said that the week of 4-10 July was a very busy one for President Mitterrand. On the 3d day following his presence at the 100th birthday party of the Statue of Liberty and his meeting with President Reagan, President Mitterrand arrived in Moscow for his third meeting with Soviet leaders in 2 years. In Moscow, he had three rounds of talks with General Secretary Mikhail Gorbachev. Their talks took a long time and involved a wide range of topics, and even "went very deep into all topics" (Mitterrand). So far Mitterrand has had more meetings with Gorbachev than has any other Western leader.

Mitterrand said: "Within 4 days we arrived in Moscow from New York. This has given us an interesting panorama." Before departing from New York on 4 July, he said that he would give Reagan a detailed report by letter after his meeting with Gorbachev. For this reason, public opinion paid great attention to Mitterrand's visits to the United States and the Soviet Union, viewing them as important diplomatic contacts between East and West at a time when some fresh air is coming out again from U.S.-Soviet relations.

France has consistently alleged that it will act as neither a "mediator" nor a carrier of message between the United States and the Soviet Union. However, during his visit to the Soviet Union, Mitterrand said: "It is hoped that France will make the United States and the Soviet Union understand that mutual consultations are better than disputes." It is thus seen that it is obvious that France intends to help link the United States and the Soviet Union.

There are many disputes between East and West on political strategy, including differences between France and the Soviet Union -- the French nuclear arsenal and the issue of human rights. According to French accounts of Mitterrand-Gorbachev talks and news reports published by the French press on the Soviet attitude, it is believed that the basic position of both sides on some major issues remains unchanged, but there has appeared a sign of flexibility in the East-West relationship.

-- Regarding U.S.-Soviet summits, through his talks with both American and Soviet leaders, Mitterrand understands that both sides hope for a summit, but the meeting must be fruitful. He both believes that "a summit meeting must be fruitful. He both believes that "a summit meeting will be held this year, but diplomats still have a lot to do."

-- Regarding U.S.-Soviet nuclear disarmament, Mitterrand has acquired a fresh understanding from his Moscow visit that the SDI is a "key stumbling block" but not an "insurmountable barrier." Viewing that the Soviet Union has conditionally agreed that the United States can conduct research within the limits of the laboratory stage, it stands to reason that the United States and Soviet Union will continue to seek a compromise approach to the problem.

-- Both sides "widely" discussed the Stockholm disarmament talks on Euromissiles, the Soviet Union "put forward a very interesting" proposal (Mitterrand), and set forth a number of concrete ideas for the "faithful measures" which Western countries regard as prerequisites. France believes that the Soviet Union devoutly hopes that an agreement will be reached before the meeting ends on 19 September. The Soviets, too, believe that France intends to play an influential role.

-- Both sides discussed, "in detail," problems relating to the French nuclear arsenal. A Soviet spokesman said the two leaders "are far from coming to an agreement," but the Soviet Union "understands the French demand of exercising its sovereignty over its nuclear forces." The latter part of the remark has aroused keen attention of the French public, but its real implications are still unknown.

It seems that Gorbachev did not studiously evade the issue of human rights, to which France and other Western countries attach great importance. Thus, Gorbachev was the first Soviet leader who openly talked about the problem. At a state banquet in honor of Mitterrand, he expounded Soviet views on the issue in an all-round way and said that "the Soviet Union is seeking practical solutions to the issue." It has been reported that France submitted a list of names involving 21 persons as well as an additional 400-person list to the Soviet Union. Optimistic sources believe that some individual problems can be settled in the near future.

However, all the above are only faintly visible indications of flexibility; whether they are true or not has yet to be proved.

President Mitterrand's visit to the Soviet Union shows that the Soviet Union is making every effort to persuade Western Europe. Press circles here noted that the whole speech made by Gorbachev at the banquet in honor of Mitterrand was aimed at Western Europe. He tried hard to seek unanimity with France and other West European countries on the issue of peace and disarmament. He pointed out: Nuclear war is not the only danger to Europe. There are now 150 nuclear reactors and hundreds of chemical plants in Europe; only a few conventional bombs may cause heavy casualties. Therefore, Europe should become an "example of coexistence." It is understood that the Soviet Union will pay more attention to Western Europe while it continues to take the United States as its main adversary. Seeing the "specific relations" between the United States and Britain and the close ties between West Germany and the United States for the sake of both's security, the Soviet Union has seemingly placed the focus of its work on France. The paper LE FIGARO points out that the Soviet Union "is sparing no efforts to foster differences between France and (the United States)."

In its relations with the Soviet Union and the United States, France faces some specific problems with either of them. If we say the major problem between France and the Soviet Union is the question of strategic security, then the contradictions between France and the United States find expression mainly in the economic field and some partial problems. Before concluding his visit to the Soviet Union, Mitterrand reaffirmed: France belongs to a military alliance and it will not act as a "single cavalryman." Therefore, there will be no "unilateral negotiations" between France and the Soviet Union." "Before and after his Moscow visit, the position of France on the international chessboard did not and will not change." He also said: "But the way of playing chess can be different."

Over the past 2 years, the cool Franco-Soviet relations have been smoothed. This autumn French Premier J. Chirac will pay another visit to the Soviet Union. This will give a new impetus to Franco-Soviet relations. The French maintain that if the Soviet Union plans to lay stress on economic construction just as public opinion in Western countries has analyzed, this will be beneficial to France both politically and economically, so it has to push the development. Whether this logic convinces President Reagan is another thing.

CHINA TO LAUNCH SATELLITES FOR FOREIGN COMPANIES

OW152018 Beijing XINHUA in English 1439 GMT 15 Jul 86

[Text] Beijing, July 15 (XINHUA) -- Companies from Britain, the Netherlands, Canada, Australia, Pakistan, Indonesia and other countries are contacting China for satellite launching service, an official of the Chinese Space Industry Ministry said here today.

China has signed an agreement with a Swedish company to help it with its satellite program, he said. The two sides are now entering into detailed discussions. In April, China also signed a memorandum with Teresat Inc. of the U.S. to launch two satellites.

The official said since 1970, China has successfully launched 18 satellites using Long March carrier rockets.

In accordance with international practice, it generally needs 30 months or more from the date of reservation to the launching. "China will do its best to shorten the period," the official said.

U.S. PREPARED TO DISCUSS SALT II WITH SOVIETS

OW161901 Beijing XINHUA in English 1847 GMT 16 Jul 86

[Text] Washington, July 16 (XINHUA) -- The United States has informed the Soviets that it is prepared to meet with them in Geneva around July 22 to discuss the SALT II arms limitation treaty.

On May 27, U.S. President Ronald Reagan said Washington would abandon the unratified SALT II treaty by the end of this year unless Moscow takes "constructive steps" in arms control.

White House spokesman Edward Djerejian told reporters today that the United States "will be prepared to respond to questions or concerns of the Soviet Union with respect to the President's May 27th decision." Meanwhile, he said, Washington would expect that "in the context of such a discussion, the Soviet Union will also be prepared to address U.S. concerns about Soviet non-compliance with arms control agreements."

The talks were sought by the Soviet Union in order to get a U.S. clarification on President Reagan's decision.

Djerejian also said the United States has agreed to talk with Moscow on the threshold ban treaty and the peaceful explosion treaty, which limit the size of underground nuclear explosions for both countries. The two treaties were signed in 1974 and 1976, respectively, but were not ratified by U.S. congress on the grounds that they lack adequate verification measures.

The White House spokesman made it clear that the United States "intends to continue testing" nuclear weapons until verification methods have been agreed upon.

PRC APPLICATION 'WELCOMED' AT GATT SESSION

OW161158 Beijing XINHUA in English 0807 GMT 16 Jul 86

[Text] Geneva, July 15 (XINHUA) -- China's application for resuming its status at The General Agreement on Tariff and Trade (GATT) was welcomed at a GATT council meeting held here today. The Chinese Government forwarded its official application to GATT General Director Arthur Dunkel July 11. Chinese representative Qian Jiadong issued a statement on the application at the meeting.

Qian said in the statement, "It was only due to historical reasons that the formal relationship between China and the GATT was later suspended. The Chinese Government considers that now is the time for China to seek the resumption of its status as contracting party to the GATT as well. "We wish to see expansions in our economic and trade relations with other countries. The resumption of China's membership and its participation in the work of the GATT as a contracting party will not only promote such relations, particularly with the contracting parties, but also be conducive to furthering the objectives of the GATT.

"As a developing country, naturally, China expects, on resumption of its membership, to receive the same treatment as is accorded to the other developing contracting parties."

The Chinese representatives said China will provide the GATT with necessary information regarding China's economic system and foreign trade position by the turn of the year. "The Chinese Government is also prepared to enter into substantive negotiations with the GATT contracting parties any time it is convenient," Qian said.

After the issuing of the statement, representatives from 26 countries and regions expressed welcome to China's application in their speeches.

The Pakistani representative said that China's resumption of its GATT status will greatly reinforce the work of the organization.

The Chilean representative said that China's re-entry will strengthen the positions of the Third World in the GATT.

The Australian representative said that China's resumption of the GATT seat will be beneficial to the system of multilateral negotiations and the expansion of international trade as well.

The representative of the European Economic Community said that it will be an important international event.

Today's GATT meeting also adopted the report and protocol on Mexico's entry into the GATT. Mexico handed in its application for the entry last November. The Mexican representative said today he hopes that the contracting parties can finish voting on his country's entry by August 15 and it can join the organization officially before September 15, when the GATT ministerial meeting is scheduled to be held in Uruguay.

XINHUA COMMENTARY ON U.S. TREATMENT OF ZIMBABWE

0W121432 Beijing XINHUA in English 1401 GMT 12 Jul 86

["Commentary: Why Is Washington so Mean? -- by Shi Lujia" -- XINHUA Headline]

[Text] Washington, July 11 (XINHUA) -- The United States yesterday suspended its economic aid to Zimbabwe and demanded a formal apology by the Zimbabwean Government for what it termed the country's "baffling diplomacy" towards the United States.

What did the Zimbabwean Government do to make Washington so irritated?

At a July 4 reception at the American Embassy in Harare, capital of Zimbabwe, David Kariamazira, minister of youth, sport and culture, blasted the Reagan administration for applying economic sanctions against Nicaragua, Poland and Libya, but refusing to do anything serious to South Africa. He said the United States, using the excuse of fighting terrorism, attacked "civilian targets" in Libya while turning a blind eye to the terrorism conducted by the racist Pretoria regime against the country's black population and its neighboring countries. This clearly reveals U.S. "appeasement" of South Africa's apartheid policy, he said.

However, putting aside whether the minister's remarks are justified or not, the incident itself means nothing serious. Looking back through history to the present, the United States has on many occasions poked its nose into other countries' foreign policy even their domestic affairs. Why should the United States get so frustrated when someone for once criticizes U.S. foreign policy?

Now, let us look at the minister's remarks. It goes without saying that they are justified. The South Africa regime, which is run by a white minority, has long pursued an apartheid policy, suppressing the country's black majority and repeatedly violating the sovereignty of its neighboring countries. Its misbehavior has drawn world indignation and criticism and many Western countries have kept their distance from the racist regime.

However, the United States, making every excuse and looking for every chance to show its sympathy and understanding, has obliged itself to the policy of "constructive contacts" and refused to impose any sanction against the Pretoria regime facing such an unjustified policy, why cannot one criticize the United States? The United States said that everybody can criticize the United States except Zimbabwe, because Zimbabwe is a recipient of U.S. aid and the aid is given to make the country become a "friend" of the United States.

Not long ago, the U.S. State Department presented to Congress a report in which it added up the percentage of countries which have voted for the United States at the United Nations. To its dismay, only Israel and a few of its NATO allies voted in favor of more than 50 percent of the U.S. proposals. If the United States insists on using cooperation as a criterion for judging a friend, the friends of the United States can be easily numbered.

Calling the U.S. suspension of economic aid to Zimbabwe "a blackmail," Zimbabwean Prime Minister Robert Mugabe has made it clear that he agrees with his minister's statement and an apology is out of the question.

Facing the just stand of the Zimbabwean Government, why shouldn't the United States make a self-criticism for its big power behavior?

LIAOWANG ON USSR'S ACCELERATING ECONOMIC GROWTH

HK111540 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 27, 7 Jul 86 pp 28-29

[Article by Wang Xianju and Yang Futian: "The Soviet Union Is Carrying Out a New 5-Year Plan of 'Accelerating Strategy'"]

[Text] On 19 June, the 5th Session of Supreme Soviet of the Soviet Union approved the 12th 5-Year Plan for Soviet economic and social development (from 1986-1990). The session held that the plan was a "decisive stage" for the realization of the accelerating strategy decided on by the 27th Congress of the CPSU.

Switch to Development of Intensive Operation of the Economy

At a plenum of the CPSU Central Committee which was held on the eve of the Supreme Soviet session, Mikhail Gorbachev pointed out that the major task of the new 5-year plan was to raise economic results on the basis of accelerating scientific and technological progress and "change policies on economic structure and investment in order to facilitate intensive social production."

Through over half a century of construction, the Soviet Union already has fairly great economic strength. However, since the beginning of the 1970's, Soviet economic difficulties have become aggravated and there has been a declining trend in its economic growth rate. It has failed to fulfill the major tasks of the preceding three 5-year plans. From 1966-1970, the annual average growth rate for its national income was 7.7 percent, but in the period from 1981-1985, it dropped to 3.1 percent. This situation has not only hindered the further improvement of the Soviet people's living standards, but also put the Soviet Union in an unfavorable position in its economic and arms races with the United States.

Apart from shortage of labor, unfavorable weather, the growing exhaustion of resources in its western areas, and the need for large amounts of investment in developing its eastern areas, the major problems that caused the decline in Soviet economic growth rates, just as Gorbachev pointed out in his political report to the 27th CPSU Congress, were: It has "failed to promptly make political estimates of changes in the economic situation or to understand the urgent need to switch to developing intensive operation of the economy and to the conscientious application of scientific and technological progress and achievements in its national economy." Nikolay Ryzhkov, chairman of the USSR Council of Ministers, also pointed out that "the most fundamental cause for the shortcomings was that in our actual activities, we failed to promptly consider changes in the economic situation owing to the disappearance in the main of the possibility to develop the economy by extensive operation and we failed to be as firm as we ought to have been in applying the achievements of scientific and technological progress and in restructuring our national economic and management systems in the light of the demand of the times."

In the face of the "serious situation" and "unfavorable trend" in Soviet social and economic development, the Soviet Union has fixed the major targets of its 12th 5-Year Plan higher than those for the preceding 5-year plan, stipulating a 22.1 percent increase for its national income in the coming 5 years; a 25 percent increase for its industrial output value; a 14.4 percent average annual increase for its agricultural output value; a 25 percent increase in its industrial labor productivity; and a 14 percent increase for the per capita real income of its residents.

Soviet leaders called the 12th 5-Year Plan a "turning point plan" for the transition from extensive to intensive development of the national economy. The major indicator for this is that the plan placed particular emphasis on improving labor productivity, product quality and energy conservation. The plan stipulates that in the coming 5 years, the growth in its national income, industrial output value, and the output value of its other production sectors has to rely almost entirely on raising labor productivity. This is for the first time in the history of Soviet economic development.

Accelerate Scientific and Technological Progress

Under the background of the surge of the new scientific and technological revolution throughout the world, the Soviet Union believes that accelerating its scientific and technological progress is an "important lever" to raise the efficiency of its national economy and a "major means" to realize the intensive operation of its production. The strategy that it has drawn up to accelerate its scientific and technological progress is: Concentrating its funds on solving key problems in its national economy and popularizing everywhere, the brand new technological equipment and processes that have been proved by practice can substantially increase its labor productivity. In the coming 5 years, every sector should increase the application of fundamental advanced technology by 50 percent, the average level of automation in its economy should rise by 100 percent, the output of computers should increase by 130 percent, and the number of industrial robots should increase by 200 percent. At present, there are about 5,300 scientific research institutes throughout the Soviet Union and 1.46 million scientific workers, who account for about one fourth of the total number of scientific workers in the world. The Soviet Union has scored major achievements in nuclear fusion, astronautics, physics, mathematics, and biology and is among the front runners in the world in these fields. However, since the 1970's its scientific and technological development has slowed down and clearly lagged behind in the fields of electronics, computers and automatic machinery. According to relevant specialists' estimate, the Soviet Union lags behind the United States by 12-20 years in the application of industrial technology and by 10-15 years in the fields of electronic technology, petrochemical industry, instruments, meters, and automatic tools.

What has caused its science and technology to lag behind are defects in its existing scientific and technological management system, the serious separation between heavy war industry and light civil industry and between scientific research and production and the slow popularization of new technology. At the 27th CPSU Congress, Gorbachev criticized the phenomena of some scientific and technological achievements failing to be applied and popularized for a long time. He cited the example that Soviet scientists discovered the non-wearing-and-tearing effect 30 years ago, but this has not yet been widely applied even now. They invented a wearproof packing for bearings nearly 10 years ago, but this has not yet been widely used either. "Sometimes, an application for title over invention has to wait for several years to pass examination and verification and this has become a process filled with misery."

In order to remove the obstacles to the development and progress of science and technology in the existing scientific and technological management system and in order to raise the efficiency of its scientific research institutes, the Soviet Union plans to adopt a new management system. First, it will "resolutely reform science in its production sectors" and make it more easily available for production sectors, and shoulder all-round responsibility for the scientific and technological level of their corresponding production sectors. In addition, it will vigorously develop a trans-departmental scientific and technological complex in order to make science merge better with production.

The Soviet Union has also decided to utilize world advanced scientific and technological achievements through enlarging its trade and scientific and technological cooperation with other countries, and acquiring loans and credit. Inside CEMA, it will focus on developing atomic energy, electronic technology, automation, new materials and bioengineering together with other member countries in order to strive to catch up and surpass the United States, Japan and other Western countries in these fields as soon as possible.

Readjust Structural and Investment Policies

Changing its policies concerning the structure of its national economy and its investment policies is another important measure that the Soviet Union is to take in order to realize its "accelerating strategy." Ryzhkov said: "The essence of the change is to switch the focus of our attention from quantitative indexes onto quality and economic results; from pursuing intermediate achievements into pursuing final achievements; from expanding production funds to expanding production renewal funds; and from increasing the resources of fuel and raw materials to improving their utilization."

In the new 5-year plan period, the Soviet Union will accelerate the development of its machine building, electric power, chemical and petrochemical industries, which will enable its economy to reach world advanced technological and scientific level. By 1990, their proportion in its industry will rise to over 40 percent. The most important will be its machine building industry, which will grow at a rate 90 percent higher than that of the entire industry. By 1990, the annual rate of renewal of its machine building industrial products will reach 13 percent, but that for the year 1985 was only 4.5 percent.

At the same time, the Soviet Union decides to readjust its investment policies:

-- It will increase the proportion of accumulation in its national income. Over the past 15 years, the growth rate of Soviet investment has continued to decline drastically and thus affected the growth of funds for the renewal of fixed assets and the growth of production capacity, and finally affected the development of its national economy. In order to change this situation, it has decided to raise the growth rate of production investment in the coming 5 years to 25 percent from the 16 percent of the preceding 5-year plan.

-- It will switch from focusing on building new enterprises and expanding enterprises to focusing on the technological renovation and transformation of its existing enterprises. In the coming 5 years, it will allocate more than 200 billion rubles for the refitting and technological transformation of its production equipment. This is more than the total allocation for this purpose in the past 10 years. The proportion of this investment in the total investment of its economy will rise from 37 percent in 1985 to 50 percent in 1990.

-- It will overcome the practice of scattering its capital construction funds and reduce the periods of investment by at least 5 percent. At present, the Soviet Union is carrying out the construction of over 300,000 large and small projects. The construction is slow and large amounts of funds are locked up. In order to counter this situation, the Soviet Union has decided to rearrange its capital construction projects and beginning in 1987, it will arrange the plans and construction for its capital construction projects in strict accordance with standards.

Reform the Economic Management System

In the main, the forms of production relations and the administration and management systems in the Soviet Union took shape under the situation of the extensive development of its economy. As times have changed, they have gradually become outdated and begun to lose their impetus to the economy and to hinder the development of the productive forces. Since the mid-1950's, the Soviet Union has made quite a few experiments in economic reform, but has not achieved much effect and failed to reach the planned goals. Its existing management system has low efficiency and great waste and is overcentralized.

The current Soviet leadership sees the importance and urgency of reform. The 27th CPSU Congress decided on the principle of carrying out an overall economic reform. The key to the reform is to heighten the efficiency of the centralized leadership over its economy and also to expand the decisionmaking power of combined companies and enterprises, heighten their sense of responsibility for the results of their work, and perfect their management system including merging departments of the same kinds, eliminating intermediate links and resolving the contradictions of separation between departments and areas.

Since the congress, the Soviet leadership has already adopted some specific measures to push forward the economic reform. The production in the first 5 months of this year has improved compared with the same period last year, but there is still fairly great resistance in the road of reform. Recently, Gorbachev said: "The period of time since the congress shows that the speed of our advance and our mastery of the new administration and management methods have slowed down to a fairly large extent owing the overstaffing in our management organs and our low work efficiency. The process of redistributing power and duties between and central departments responsible for economy and ministries as one party and the enterprises, combined production companies and labor collectives as the other, has been filled with many hitches." He criticised some leaders and said that "even under the situation when the functions of the management organs have been changed, they still do their utmost to maintain their power of command in various ways."

Whether the Soviet Union will be able to smoothly fulfill its 12th 5-Year Plan and attain the strategic goal of doubling its national income and industrial output value by the end of this century, to a very great extent depends on the results of its economic reform. Gorbachev expressed the will to "carry out resolute struggle" against all the factors that hinder the progress of reform."

PRC, SOVIET CINEMATOGRAPHERS SIGN AGREEMENT

OW092330 Beijing in Russian to the USSR 1800 GMT 8 Jul 86

[Text] A working plan for cooperation between PRC and Soviet cinematographers for the period 1986-1987 was signed on 7 July in Moscow. The plan was signed by Ding Qiao, PRC vice minister of radio, cinematography and television, and Yermash, chairman of the USSR State Committee for Cinematography. The Soviet State Committee for Cinematography showed a Chinese color feature film, *The Wanderer and the Swan*, at the Moskva Theater in the afternoon to commemorate the 30th anniversary of the signing of the cultural cooperation agreement between the PRC and the USSR. The Chinese cinematographers delegation headed by Ding Qiao and the staff of the Chinese Embassy in the USSR were invited to the showing. The Chinese cinematographers met with the audience before the showing, and were warmly received.

COMMENTARY MARKS PRC-DPRK TREATY ANNIVERSARY

SK160736 Beijing International Service in Korean 1100 GMT 13 Jul 86

[Station commentary: "Let Us Support Each Other and Advance Shoulder to Shoulder"]

[Text] The day 11 July is the 25th anniversary of the signing of the China-Korea treaty of friendship, cooperation and mutual assistance. The two countries of China and Korea are holding various celebrations.

A Chinese party and government delegation headed by Comrade Tian Jiyun, member of the Political Bureau, and member of the Secretariat, of the CPC Central Committee and vice premier of the State Council, is visiting the DPRK, and a Korean party and government delegation headed by Comrade Yi Chong-ok, member of the WPK Central Committee Political Bureau and vice president of the state, is visiting China.

The Chinese People's Association for Friendship With Foreign Countries, the China-Korea Friendship Association, and the Korea-China Friendship Association have exchanged delegations.

Celebrations are being held in the capital cities of the two countries. China and Korea are close allies whose mountains and rivers are linked with each other and who have teeth and lips relations.

The peoples of the two countries have forged deep militant friendship in the course of a long common struggle. Since Comrade Zhou Enlai and Kim Il-song signed the Chinese-Korea Treaty of Friendship, Cooperation and Mutual Assistance 25 years ago representing their respective countries, such friendship has been consolidated in a form of treaty. Over the last 25 years this treaty has continuously developed the friendship and cooperative relations between the two countries by overcoming complex and arduous trials in the international situation.

In the message of greetings sent to the Korean party and government leaders, the Chinese party and government leaders noted that the signing of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance was an event of great significance in history of the friendly relations between China and Korea, and that this treaty clearly has reflected the sincere aspirations and firm will of the peoples of China and Korea to further strengthen their unity, to accelerate the nation's development, and to safeguard peace in Asia and the world.

In his message sent to the Chinese party and government leaders, President Kim Il-song pointed out that the Korea-China treaty of friendship, cooperation, and mutual assistance has made an important contribution to firmly safeguarding the revolutionary gains of the two countries, to accelerating socialist construction, and to safeguarding peace in Asia and the world.

Over the past 25 years, in recent years in particular, the leaders of China and Korea have promoted relations between the two countries onto a new stage by frequently visiting each other. Such a spirit of friendship and cooperation has been reflected in supporting each other's struggle for national reunification and in defending the peace in Asia and the world.

In a meeting with Comrade Yi Chong-ok, leader of the Korean party and government delegation, Comrade Hu Yaobang, general secretary of the CPC Central Committee, said that China is prepared to continuously strive [kyesok noryokhal yongirul kajigo itta] to develop the friendship and cooperative relations between China and Korea, and that China extends firm solidarity with the just position of the Korean people to achieve the independent and peaceful reunification of the nation.

At a mass rally in Pyongyang marking the 25th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance, Comrade Tian Jiyun, leader of Chinese party and government delegation, said that the two parties and two countries of China and Korea not only have strengthened unity and developed friendship in accordance with the spirit of the treaty, sincerely cooperating and helping each other, but also have played an important role in defending peace in Asia and the world.

Comrade Tian Jiyun also noted that China, a close neighbor and comrade-in-arms of the DPRK, takes a great interest in the situation on the Korean peninsula and firmly supports the just position and all reasonable calls of Korea.

At the rally Kang Song-san, premier of Korea, noted that the fraternal Chinese people are effecting a new upsurge in all fields -- including agriculture, industry, national defense, science and technology -- in firm unity with the CPC, and that the PRC is becoming a great peace force in Asia after being strengthened and developed. Premier Kang Song-san also said that the Korean people will fight shoulder to shoulder with the Chinese people forever.

In the message of greetings sent to the Chinese party and government leaders, President Kim Il-song stressed that the Korean people extend firm solidarity with the Chinese people's struggle to achieve socialist modernization with unique Chinese characteristics and to reunify the whole of the nation by returning Taiwan.

Although time passes, the friendship between the peoples of the two countries will be immortal forever. China-Korea friendship will more brilliantly flower and will continuously encourage the peoples of the two countries to support each other and advance shoulder to shoulder with each other.

QIAO SHI FETES DPRK FRIENDSHIP DELEGATION

0W161305 Beijing XINHUA in English 1059 GMT 16 Jul 86

[Text] Beijing, July 16 (XINHUA) -- Chinese Vice-Premier Qiao Shi met and had a cordial, friendly talk with a delegation from the Korea-China Friendship Association led by its Vice-Chairman O Mun-Han here this afternoon. Qiao gave a dinner for the Korean delegation after the meeting.

Present on the occasions were president of the Chinese People's Association for Friendship With Foreign Countries Zhang Wenjin and Ambassador of the Democratic People's Republic of Korea to China Sin In-ha.

Since their arrival in China July 8, the Korean guests have attended the celebration activities for the 25th anniversary of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance and visited Beijing, Guangzhou and Shenzhen. They will leave here for home tomorrow.

CHEN MUHUA MEETS WITH ASIAN BANK DELEGATION

OW151553 Beijing XINHUA in English 1157 GMT 15 Jul 86

[Text] Beijing, July 15 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, said here today that China is willing to accept loans from the Asian development Bank (ADB) under the conditions of favorable terms.

At a meeting with a senior delegation from the ADB led by its vice president, M. Narasimham, Chen said China lacks funds to develop its economy, so it needs to import funds. She said, China has been a member of the ADB for only a short time, but the two sides have very good relations. She expressed her hope that both sides would strengthen their contacts and cooperation, which is so important for China's economic development and the ADB's work, and also promote mutual understanding.

Narasimham gave an account of the conditions of the ADB's loans. He said that the ADB is ready to cooperate with China. The delegation arrived here July 13 at the invitation of the People's Bank of China.

SON SANN URGES EUROPEAN SANCTIONS AGAINST SRV

OW160626 Beijing XINHUA in English 0611 GMT 16 Jul 86

[Text] Paris, July 15 (XINHUA) -- Democratic Kampuchea's Coalition Government Prime Minister Son Sann has called on European countries to put economic and financial pressure on Vietnam until it withdraws its troops from Kampuchea. In an interview with XINHUA today the coalition prime minister said he has asked the European Parliament and "our parliamentary friends to support our eight-point proposal and to continue to vote for us at the United Nations as in previous years."

The Coalition Government of Democratic Kampuchea offered an eight-point proposal March 17 in Beijing calling on Vietnam to make a two-stage withdrawal of its troops from Kampuchea and for four-party negotiations by the three resistance factions and the Heng Samrin regime to set up a four-party coalition government of Kampuchea. The proposal has won international support but was rejected by Vietnam soon after it was made. Vietnam still demanded what it calls "getting rid of the Khmer Rouge." More than 40 countries have expressed support for the proposal.

"Political pressure is good, but it isn't enough. Other pressure must be brought to bear, what I call economic and financial pressure," Sann said. He said that during a recent tour of North and West European countries he had asked leaders to withhold economic aid to Vietnam. "For two years Vietnam attacked many of our camps. But now our troops are in the interior, and we are attacking all Vietnamese controlled cities," he said. "Vietnam has no support in Kampuchea. All the people reject it. It is getting into more and more difficulties with our forces. It could not destroy us when we were operating on the border, and it cannot destroy us in the interior."

"The people of Kampuchea support our efforts," the prime minister said, and went on to note that at the moment Vietnam is experiencing "grave economic difficulties." World opinion is against Vietnam, Sann said. "Our cause is just."

Asked about the recent death of Vietnamese leader Le Duan, Sann said he did not think the new Vietnamese leadership will change Vietnam's Kampuchea policy.

ZHOA ZIYANG CONTINUES EUROPEAN, AFRICA TRIP

Premiers Hold Press Conference

OW170218 Beijing XINHUA in English 0149 GMT 17 Jul 86

[Text] Madrid, July 16 (XINHUA) -- Chinese Premier Zhao Ziyang and his Spanish counter-part Felipe Gonzalez told the press here today that they are satisfied with the developing relations of friendship and cooperation between the two countries and confident of their furtherance. The two government leaders gave a joint press conference this evening following their second round of talks at the office of the Spanish prime minister.

Zhao said his talks with Felipe Gonzalez on issues of mutual interest were "intensive and useful." They showed the two countries have the same position on peace and development -- the two fundamental issues facing the world today -- and hold identical or similar views on many other key international questions. Zhao said that both China and Spain strongly desire to push their friendly cooperation still further in a down-to-earth manner.

Prime Minister Gonzalez said his country's relations with China are based on mutual trust and friendship as the two countries have no conflicts of fundamental interests between them. He described Zhao's visit as one that will surely give a vigorous impetus to the development of bilateral relations.

When asked whether any specific items for economic cooperation were discussed in the talks, Premier Zhao said that two items agreed upon last year were later cancelled for reasons on the part of China, but he had offered some new projects during his current visit, in which the Spanish side showed keen interest. Zhao stressed that as the saying goes, "Failure is the mother of success," the setbacks in the past will help make bilateral cooperation in future going on more smoothly. There is no reason to be sceptical of the cooperation in the days to come just because of setbacks in the past, he noted.

The Spanish prime minister agreed by saying he believed that the newly proposed items for cooperation are solidly based and that the potentials for expanded cooperation in other fields such as finance, science and technology, are also very great.

This morning, Zhao travelled over 70 kilometers to Toledo, the former imperial city, to see Spain's ancient culture and civilization between the 9th and 16th centuries. The Chinese premier was warmly greeted by the mayor of the city Joaquin Sanches at the gateway of Bisagra, a 16th century structure. In Toledo, described as "the glory of Spain and the light of its cities," Zhao visited the former house and museum of El Greco, a master painter in the 16th century, the church of Santo Tome built in the 14th century, and the Toledo Cathedral built in 1493. He also took a general view of the city from the Tarador Hotel on hilltop.

Zhao on Relations with SRV, USSR

OW170546 Beijing XINHUA in English 0535 GMT 17 Jul 86

[Text] Madrid, July 16 (XINHUA) -- Chinese Premier Zhao Ziyang said today he did not know whether Vietnam's policy towards China would change or not after the death of Vietnamese Communist Party General Secretary Le Duan.

Zhao made the remarks when asked about the future of relations between China and Vietnam following the recent change of Vietnam's party leadership, at a press conference here this evening.

Talking about Soviet party leader Mikhail Gorbachev's recent calls for improved ties with China, Premier Zhao said, "We hope that they would take practical actions to remove the three major obstacles."

The three obstacles are the big gathering of Soviet troops along the Chinese border, the Soviet invasion of Afghanistan, and its support of the Vietnamese occupation of Kampuchea.

Zhao, who arrived here Monday on the fourth leg of a six-nation tour, will leave for Turkey tomorrow.

Urges Gibraltar Settlement

OW170554 Beijing XINHUA in English 0532 GMT 17 Jul 86

[Text] Madrid, July 16 (XINHUA) -- China is happy to note that Britain has agreed to negotiate with Spain on the issue of the Gibraltar, visiting Chinese Premier Zhao Ziyang said here today.

Answering a question at a press conference following his talks with his Spanish counterpart Felipe Gonzalez, Zhao said he hoped that the Gibraltar issue will be settled satisfactorily through friendly consultations.

"China and Britain have successfully reached agreement on the settlement of the Hong Kong issue through talks in the spirit of mutual understanding and mutual concession, by placing Sino-British friendship above everything else and having their eyes on the future," he noted, adding, "This settlement not only conforms with the interests and aspirations of the Chinese and British people as well as the inhabitants in Hong Kong, but also provided experience for the search of solutions to the problems in the world left over by history.

Zhao, who arrived here Monday on an official visit, will leave for Turkey tomorrow. Turkey will be the fifth leg of his Six-nation Balkan-Mediterranean tour.

King Accepts Invitation to PRC

OW170558 Beijing XINHUA in English 0538 GMT 17 Jul 86

[Text] Madrid, July 16 (XINHUA) -- Spanish King Juan Carlos I has accepted a renewed invitation from Chinese President Li Xiannian to visit China again, it was announced here today.

The announcement was made by Chinese Premier Zhao Ziyang and his Spanish counter-part Felipe Gonzalez at a press conference they jointly held here this evening.

The invitation was conveyed to the king by Premier Zhao on President Li's behalf when he met the king and Queen Sofia yesterday. The king is looking forward to making the visit at the earliest possible date to be fixed through diplomatic channels, the announcement said. The king and queen paid their first visit to China in 1978.

Zhao, Gonzalez Address Banquet

OW170604 Beijing XINHUA in English 0540 GMT 17 Jul 86

[**"Zhao Says Purpose of His Spain Visit Achieved" -- XINHUA headline**]

[Text] Madrid, July 16 (XINHUA) -- Chinese Premier Zhao Ziyang said in a toast here today that his short but fruitful visit to Spain has resulted in better understanding and closer cooperation between the two countries.

In a return banquet held at Hotel Ritz, where he stays during his four-day visit, Zhao said he believed that relations between China and Spain can well be expected to reach a new and higher level on the existing good basis. He expressed thanks to the Spanish Government for the hospitality accorded him and his entourage.

Spanish Prime Minister Felipe Gonzalez noted in his toast that relations between the two countries are based on "sincerity, amicability and mutual understanding," on which "we will keep the momentum of cooperation tirelessly." "In spite of the language difference and geographical distance, Spain has a deep understanding and appreciation of the efforts being made by Chinese leaders," Gonzalez said.

Among the 100 and more Spanish officials present at the banquet, which was pervading throughout with enthusiasm and cordiality, were Foreign Minister Fernandez Ordóñez, Economy and Finance Minister Carlos Solchaga, Culture Minister and Government spokesman Javier Solana and Industry and Energy Minister Joan Majo. Director of China's State Economic Commission Lu Dong and other senior Chinese officials accompanying Zhao on the visit, which is to end tomorrow, also attended the banquet.

AIR FORCE COMMANDER MEETS FRENCH DELEGATION

OW161431 Beijing XINHUA in English 1333 GMT 16 Jul 86

[Text] Beijing, July 16 (XINHUA) -- Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, met here this evening with a delegation from the school of the French Air Force led by its Commandant Brigade General Jacques Deveaud. Wang and Deveaud agreed that the delegation's visit will strengthen the friendship between the Air Forces of the two countries. The meeting was followed by a reception hosted by Yu Zhenwu, deputy commander of the P.L.A. Air Force. The delegation, composed of over 100 officers and cadets of the school, arrived here this afternoon for a study tour.

WANG ZHEN MEETS ITALIAN CP DELEGATION 13 JULY

OW131242 Beijing XINHUA in English 1128 GMT 13 Jul 86

[Text] Beijing, July 13 (XINHUA) -- Wang Zhen, vice-chairman of the Chinese Communist Party Central Advisory Commission, met here this evening with a party school delegation from the Italian Communist Party led by Nello di Paco, president of the Pisa School of the Party Central Committee. Wang Zhen, who is also president of the Party School of the Chinese Communist Party Central Committee, told Italian Communists that he hoped for the expansion of cooperation and exchanges between the schools of the two communist parties. The Italian Communists arrived here June 26. They had a tour of Xian, Nanjing, Shanghai and Chengdu in the past few weeks.

KUWAITI MINISTER ON INVESTMENT IN PRC, USSR

OW161321 Beijing XINHUA in English 1138 GMT 16 Jul 86

[Text] Kuwait, July 16 (XINHUA) -- Rapid progress has been made in talks between Kuwait, China and the Soviet Union on the feasibility of Kuwaiti investment in the two countries, according to Kuwaiti Finance Minister Jasim al-Khurafi.

In a recent interview with Saudi Arabia's daily "AL-JAZIRAH" the minister said that Kuwait is studying the possible economic profits from its investment projects in these two countries Kuwait is optimistic about the future of the investment, Al-Khurafi said.

Kuwait's diversification of its investment abroad does not mean the withdrawal of Kuwaiti funds from the United States, he stressed. "Our funds in the United States are guaranteed by law, without any risks", he said. Kuwait has an estimated 6 billion U.S. dollars of investment in the U.S.

Kuwaiti daily "AL WATAN" pointed out today that Al-Khorafi's talks was made when a Soviet economic delegation was in visiting Kuwait for talks on probing further cooperations between the two countries on oil and finance.

NEWS ANALYSIS ON SYRIAN ENTRY TO WEST BEIRUT

OW150000 Beijing XINHUA in English 2346 GMT 14 Jul 86

[News analysis: Why Syrian Task Force Enters West Beirut? (by Zhu Jiefei and Xing Chuanting) -- XINHUA headline]

[Text] Beirut July 15 (XINHUA) -- The re-entry of a Syrian task force unit into West Beirut will serve as a multi-purpose move by Syria, political analysts here said. The unit of over 380 regulars, together with Syrian observers already stationed in West Beirut, have so far played a major role in maintaining security in the Moslem districts of this war-torn capital of Lebanon. But Syria's re-entry into Beirut was not merely aimed to maintain order.

The Syrian troops withdrew from Beirut in 1982. Their re-entry on July 4 this year has been taken as a dubious move to have a tighter control over the Lebanese Moslem factional militias and prevent a substantial comeback of the Palestinian guerrillas to Lebanon.

The Syria-backed Shi'ite Amal militias had fought bloody battles against Palestinians around the refugee camps in West Beirut. The Amal charged that a great number of palestinians had come back recently. Many Lebanese said the Israelis will use this as a pretext for intervention. However, the Palestine Liberation Organization claimed that more Palestinians are arriving in Beirut to visit their families.

The deployment of Syrian troops in West Beirut will create new difficulties for the Palestinians' plan for a substantial comeback if they do have such a plan.

The Syrians will take West Beirut as a springboard for their next move to enter southern Lebanon. Well informed sources here said Syrians are now negotiating in Saida with local political leaders on the deployment of Syrian troops in this biggest port city in the south.

In addition, Syria, with their military presence in West Beirut, will try to get the kidnapped Western hostages released in a bid to improve its image in the world as it has been accused by the United States and its Western allies as a base of international terrorism. Confirmed reports said the Syrian task force encircled the southern suburb of Beirut as they entered the city. Most, if not all, of the hostages were said to have been kept in that part of the capital. Syria has already succeeded in getting two of the French hostages released. Local reports said the remaining French hostages are to be set free in a few days.

Other reports said the United States is contacting Syria for the release of the six American hostages. Observers believe that the release of any American hostages will constitute a de facto recognition by the United States of Syria's military presence in Beirut.

The entry of Syrian troops into West Beirut may well be described as the "Beirut gambit" played by Syria in the game of Lebanon after the failure earlier this year of the tripartite agreement sponsored by Syria to end the sectarian war in Lebanon, a result of boycotts by the Christians.

The game has started well. But it is hard to speculate how the game will end since there are not only two but many players over the chessboard and each of them has his own goal.

RENMIN RIBAO ON POLITICAL STORM IN ISRAEL

HK170055 Beijing RENMIN RIBAO in Chinese 13 Jul 86 p 6

["Roundup" by staff reporter Chen Jichang: "Political Storm Caused by the Israeli 'Shin Bet Incident'"]

[Excerpts] The "Shin Bet incident," which took place 2 years ago, has ignited a great storm in Israel and caused an unprecedented political crisis to the Peres government.

Shin Bet was the original name of the Israeli State Security Bureau. In April 1984, when four Palestinians hijacked a public bus in southern Tel Aviv, the Shin Bet secret police killed two of them and arrested the other two. Subsequently, (Shalom), head of the "Shin Bet," ordered the killing of the two arrested Palestinians. This was the basis of the Shin Bet incident. But (Shalom) covered up this crime and provided false evidence asserting that the four Palestinians were all killed in action. Between May and June this year, (Zamir), former judicial adviser for the Israeli Government, made known to the public the actual state of the incident after obtaining evidence from a Shin Bet official. This immediately caused repercussions in Israeli society, and people called it the Shin Bet incident. [passage omitted]

The Israeli authorities have resorted to various means to cover up this scandal and to pacify the media's dissatisfaction over the Shin Bet incident. (Shalom) declared his resignation on 25 June, and the Israeli president announced that (Shalom) and the other three Shin Bet officials were exempt from a lawsuit. Obviously, the Israeli authorities tried to help the Shin Bet gloss over its crime. But instead, the Israeli authorities' attempt to harbor the Shin Bet resulted in an even larger political storm. [passage omitted]

The political storm ignited by the Shin Bet incident is at present surging forward. It is hard to predict what it will bring to the Israeli Coalition Government and the impact it will have on the political situation in Israel. However, the exposure of the incident has once again suggested what a sham the "freedom and democracy" advocated by the Israeli authorities is.

OFFICIALS ATTEND IRAQI NATIONAL DAY RECEPTION

OW161307 Beijing XINHUA in English 1102 GMT 16 Jul 86

[Text] Beijing, July 16 (XINHUA) -- Iraqi Ambassador to China Rashid M.S. al-Rifai and his wife gave a reception at the embassy here this evening in celebration of the 18th anniversary of the 17-30 July revolution.

Among the guests were Chinese Minister of Urban and Rural Construction and Environmental Protection Ye Rutang and Vice-Minister of Foreign Affairs Qi Huaiyuan.

BRIEFS

AMBASSADOR TO SYRIA -- Syrian Premier Kasm said on 9 July that, facing the threat of Israel's aggression, Syria would fight to the end and never retreat. He made the statement when receiving Chinese Ambassador to Syria Wang Changyi in the capital of Damascus. In Sino-Syrian relations, Kasm said that both countries belonged to the Third World and their relations were very friendly. Ambassador Wang Changyi also expressed the hope that the two countries would increase their cooperation in all fields. [Text] [Beijing Domestic Service in Mandarin 0200 GMT 11 Jul 86 OW]

IRANIAN SPORTS DELEGATION -- Beijing, 14 Jul (XINHUA) -- He Zhenliang, vice-minister of China's State Physical Culture and Sports Commission and member of the International Olympic Committee's Executive Board, met with the visiting Iranian sports delegation here today. The Iranian delegation, led by Ahmad Dargahi, deputy prime minister and president of the Physical Education Organization, arrived here last Friday. The vice-minister gave a banquet in honor of the Iranian guests. The Iranian delegation will leave here this evening for home. [Text] [Beijing XINHUA in English 0549 GMT 14 Jul 86 OW]

PRC-BURUNDI PROTOCOL -- China and Burundi signed a protocol on China sending a medical team to Burundi on 10 July in Bujumbura, capital of Burundi. Egide Nkuriyingoma, Burundian minister of external relations and cooperation, and Shen Lianrui, Chinese ambassador to Burundi, signed the protocol on behalf of their respective countries. [Text] [Beijing Domestic Service in Mandarin 0200 GMT 11 Jul 86 OW]

XINHUA CORRECTION TO WANG ZHEN TITLE

The following correction to the item headlined "'Political Bureau' Member Wang Zhen Writes Inscription," published in the 16 July China DAILY REPORT on page K 1, is supplied by XINHUA Domestic Service in Chinese at 1458 GMT on 16 July:

Paragraph one, from last line, reads: ...Stadium. (new graph) Wang Zhen, vice chairman of the Central Advisory Commission, inscribed the name... (correcting Wang Zhen title, deleting editorial notation)

CULTURE MINISTRY CHANGES DETAILED FOR OFFICIALS

OW162136 Beijing XINHUA in English 1426 GMT 16 Jul 86

[Text] Beijing, July 16 (XINHUA) -- Leading officials of China's Culture Ministry increasingly will concentrate on investigations and study, broad policymaking and development of laws that will help the arts, new Vice-Minister Gao Zhanxiang said here today.

At the same time, the ministry will streamline its administrative processes and let artists and writers have more say in the government's handling of their work, he told a national workshop of culture officials, the first since the recent reshuffling of the ministry's leadership.

Gao quoted Mao Zedong, late chairman of the Chinese Communist Party, as saying that every leadership group should study the situations they face while having a good grasp of current policies.

"For those of us in leadership positions," he said, "that means we must concentrate on the change in the role of government institutions in the country's current reform drive" -- which calls for more autonomy and responsibility for individual units. "Otherwise, we will be tied up by routine work and fail to do our duties as well," he said.

Gao suggested that leaders would "do a better job" if they "relied more on think tanks to analyze situations and propose policies and outline arguments for and against alternative actions."

During the seven-day workshop, which ended today, more than 80 culture officials from throughout China discussed eliminating some of China's visual and performing arts groups, which, according to ministry sources, number more than 3,000 and employ more than one million people.

"Cutting down the number of the groups and improving their management is an urgent task," a ministry official told XINHUA today.

"Total funds for the groups will remain constant," the official said, "the goal is to have a smaller number of groups with better funding."

At the same time, adequate arrangements would be made to transfer people in discontinued groups to other work, according to the official.

WANG MENG, ZHU HOUZE ADDRESS CULTURAL CONFERENCE

OW170449 Beijing XINHUA Domestic Service in Chinese 1241 GMT 16 Jul 86

[By Central People's Broadcasting Station reporter Zhang Xin and XINHUA reporter Li Guangru]

[Text] Beijing, 16 Jul (XINHUA) -- Speaking in the National Conference of Directors of Cultural Departments (Bureaus), Culture Minister Wang Meng said that this is the best period cultural and art work as seen since the funding of China, and our strategic guiding thought should be to strive for the long and stable development of cultural and art.

In the National Conference of Directors of Cultural Departments (Bureaus), held by the Ministry of Culture, the participants held serious discussions on questions, including what should be done for the million literary and art workers to bring their role into play and how to improve their quality, and exchanged experiences of performing art groups carrying out reforms.

Speaking about the current situation in literary and art work, Wang Meng said: The situation has become dynamic for art creation and theoretical study since the spring of this year. Contention between different views, styles, and schools of thought is going on in a normal manner, and the efforts at various probes and creations are enjoying protection and support, while being provided with appropriate guidance. An atmosphere of mutual understanding, trust, and respect is emerging in literary and art circles.

Wang Meng said in his speech that striving for a long and stable development of China's literary and art work should be the strategic guiding thought, and that the principles and policies laid down by the party and government for literary and art work in the new period should be comprehensively and accurately understood and implemented. He said: Since the end of 1978, our policy on literature and art has become mature, stable, and consistent. Of course, there have been unstable factors in an overall picture of stability. But this should not obstruct the forming of a comprehensive conclusion about the situation. Our literary and art policy is an inseparable whole, and we must guard against the practice of each sticking to his own interpretation and taking what he needs. I have offered advice to foreign reporters by telling them not to view China's literary and art situation in the same way they do the stock market in Hong Kong.

Regarding differences and arguments emerging in current activities in the fields of literary and art theoretical study and art creation, Wang Meng felt that they are a normal phenomenon. He said: Only differences and arguments can inspire people to explore and pursue. It would not be conducive to creating an open and harmonious environment by adopting an overbearing, oversensitive attitude to different viewpoints.

Wang Meng stands for promoting literary and art structural reforms with firm resolve and prudence, and improving the quality of the ranks of literary and art workers. He said: In the process of literary and art production, it is necessary to do a good job in handling the relation between the law governing literature and art, the law governing the economy, and the law governing ideological and political work and, at the same time, improving relations between government departments, performing art groups, and artists.

He emphasized that literary and art workers should satisfy the people's cultural life needs with consummate works. For this reason, improving the quality of literature and art should be the central task in the development of the cause of literature and art.

The 7-day National Conference of Directors of Cultural Departments (Bureaus) ended today in Beijing. Gao Zhanxiang, executive vice minister of the Ministry of Culture, made a summing up report. He said: Literary and art circles must resolutely take the road of reform. It is necessary to have a correct attitude to the problems cropping up in the course of reform and be fair to those comrades who are sincere in carrying out reform, but have made mistakes. Faults should be tolerated, because reform is a completely new endeavor, never before undertaken. The important thing is to learn from experience and constantly bring the policy to perfection, to effect a sound and in-depth development in reform. Gao Zhanxiang said: To meet the needs of the new situation, the functions of the Ministry of Culture will undergo changes. The ministry will shift the focus of its work to investigation and study, providing macroeconomic guidance, and making policy decisions. The major functions of the Ministry of Culture from now on will be to give guidance, draw up plans, institute laws, make overall arrangements, render services and exercise supervision over the nation's literary and art work.

Zhu Houze, director of the Propaganda Department of the CPC Central Committee, delivered a speech to the conference while it was in session.

ZHU HOUZE CALLS FOR IMPROVED CULTURAL LIFE

0W161433 Beijing XINHUA in English 1409 GMT 16 Jul 86

[Text] Beijing, July 16 (XINHUA) -- To promote its seven-year-old reform drive, China must "improve the cultural life of the entire nation," according to Zhu Houze, head of the Propaganda Department of the Communist Party's Central Committee.

In remarks released today, Zhu criticized past government and party interference in literature and art. "Few of these efforts were helpful," he told participants in a session earlier this week of a national workshop of culture officials. "Don't make hasty conclusions about dissension or ideas that break with tradition," he said.

Zhu called for flexible cultural leadership. "Rigid things are easy to break," he said. "Elastic things can resist shocks. And there are always shocks in social life."

He said efforts to explore new cultural forms and for creation should be supported. Otherwise, he added, "society cannot develop, let alone its culture."

For that reason, he argued, it is in the national interest to be "tolerant of different views and to be generous toward those who hold them." This will "help create a more harmonious environment for cultural development," he said.

The party leader said competition between cultural workers should be encouraged. "It's a pity that we failed to do a good job in this respect in the past," he said. "Perhaps it was the fault of the traditional Chinese doctrine that praised the mean and discouraged people from wanting to do anything distinctive."

Discussing the relation between Chinese cultural tradition and foreign culture, Zhu criticized both a nihilist attitude towards national tradition and failure to see that "in some areas China has lagged behind."

He proposed comparing Chinese culture with contemporary culture abroad and "trying to catch up with the most advanced levels in the world."

At the same time, he said, "we should review our cultural values and see which still ring true and which should be abandoned."

Culture officials in the party and the government "need to rethink just what the state of the country's culture is and how it relates to Chinese history and the work of the party and the people's government," he said. "This would be good for the steady development we hope for over the long term."

After all, he told the officials, "the 'Cultural Revolution' has been over for ten years, and it is 30 years since the party adopted the policy of 'letting a hundred flowers bloom and letting a hundred schools of thought contend.'"

WANG MENG INTERVIEWED ON CULTURAL SITUATION

HK161344 Beijing RENMIN RIBAO in Chinese 13 Jul 86 p 3

[Article by XINHUA reporter Guo Lingchun, exclusive to RENMIN RIBAO: "Cultural development Needs a Steady Policy -- Interview With Newly-appointed Minister of Culture Wang Meng"]

[Excerpts] Wang Meng appeared in front of the reporters not as a writer but as minister of culture. The office of the minister of culture, almost one quarter of which was occupied by the minister's desk, was filled with cigarette smoke left behind by the previous batch of visitors. Here, newly-appointed Minister of Culture Wang Meng will plan "a project of vital and lasting importance," which will push forward China's developing cultural cause.

When talking about his plan, the 52-year-old new minister skillfully knew how to take the bull by the horns. He first stressed that the long-term cultural development needs a steady policy and a steady environment. Wang meng, who became a "young Bolshevik" on the eve of liberation and later experienced both tranquillity and turbulence together with the People's Republic, now thought that "we are living in one of the periods characterized by stability and vitality seen since the founding of the PRC."

Under normal circumstances, it is easy to maintain stability. However, once a controversy takes place and erroneous opinions and literary works with defects come out, is it still possible to maintain a stable situation? [paragraph continues]

His answer was: Under such circumstances, it is necessary to lay more stress on maintaining stability. In the literature and art circles, there was once such a phenomenon: Whenever diversions occurred, people just simply re-explained the policies, or just stressed one side of the policies one day and the other side of the policies another day. Wang Meng stated his views on this frankly by saying: "To combine implementing policies in a steady way with solving problems in a practical and realistic way is just the responsibility of people like us." [passage omitted]

Stability itself consists of making culture contribute to the building of modernization. In this office of less than 16 cubic meters, Wang Meng has begun to "implement" the blueprint of China's cultural cause -- the construction of cultural facilities, literary and art creation, plays and operas, and the relevant systems, laws, and regulations. We should acknowledge that the present situation of the cultural construction does not conform to the overall situation of the socialist construction cause of our country. For nearly 37 years, we have not had a decent state theater and a state art museum to collect excellent traditional and modern cultural products. "We should strengthen construction in this respect," said Wang Meng with an affirmative tone. However, since our country is not a rich one, we should walk steadily forward. At the same time, we should also formulate all kinds of strict rules and regulations concerning the protection of culture and so on and make efforts to solve the complicated routine problems one by one. Now, a feasible long-range plan has been formed in Wang Meng's mind.

Prior to becoming minister of culture, Wang Meng had already carried out some investigations. His secretary disclosed to the reporters that prior to becoming minister of culture, Wang Meng had received a number of figures of the literature and art circles; frequently watched various types of performances; visited the art academies, art ensembles, and art schools directly under the Ministry of Culture; and carried out investigations and research in the cultural relics museum and the cultural relics institute of Qufu County and on the construction site of a certain cultural institution in Jinan.

Thus, the new minister of culture now has the right to speak.

"The number of people in the art performance organizations is enormous," said Wang Meng, referring to the situation in his "own" ministry: Most of these art performance organizations are now still following the old system. Over the past few years, owing to the lack of leadership and administration, both the quality of performances and the standard of art organizations have deteriorated. So, "under such circumstances, it is imperative to carry out reforms." Wang Meng thought that the art cause cannot ignore the role of the economic lever. However, at the same time, the art cause should take into consideration its own peculiar law. Sometimes, the two do not necessarily conform with each other because art performances representing the highest level of artistic achievement in the country are not necessarily the most money-making ones. Taking symphony as an example, almost no country in the world can earn a profit from symphonic performances. The existence and development of such kind of art require people with loft ideals to devote their wisdom and talents.

No doubt, the state will support the development of such kinds of art organizations. However, the method of protecting art in name but implementing protectionism and protecting unwieldy organizations in deed is also opposed by Wang Meng. [passage omitted]

RENMIN RIBAO ON SUN YAT-SEN THOUGHT SYMPOSIUM

HK160755 Beijing RENMIN RIBAO in Chinese 11 Jul 86 p 5

[**"Academic Trends"** column by Zhou Liaogang: "Roundup on Symposium on Sun Yat-sen's Philosophical Thinking" -- capitalized passages published in boldface]

[Text] To mark the 120th anniversary of Sun Yat-sen's birth, the Guangdong Society of Philosophy, the Guangdong Society of Sun Yat-sen Studies, the Guangzhou City Research Institute of Social Sciences, the Philosophy Department of Sun Yat-sen University, the Philosophy Department of the Chinese People's University, and the Zhongshan City Society of Sun Yat-sen Studies jointly sponsored a symposium on Sun Yat-sen's philosophical thinking held at Sun Yat-sen University. The participants in the symposium had a lively discussion on the nature of Sun Yat-sen's philosophical thinking and its place in history.

ON THE NATURE OF SUN YAT-SEN'S PHILOSOPHICAL THINKING. While some comrades held to their view that Sun Yat-sen's philosophy is a kind of mechanical or evolutionist materialism, some new points of view were put forth at the symposium. Some people held that Sun Yat-sen's philosophy is a kind of incomplete materialism characterized by a dialectical mode of thinking. His philosophy was built on the basis of modern development of natural sciences, such as the theory of evolution, cytology, the law of conservation and conversion of energy, the discovery of the possibility of reciprocal conversion between organic and inorganic substances, and the discovery of radioactive elements. Its basis was a little bit more advanced than that of dialectic materialism. During that period, one of the focal points of the struggle in the field of philosophy is the struggle against metaphysics. For example, the Movement for Constitutional Reform and Modernization opposed the ruling faction's "Theory of No Change"; the Revolution of 1911 criticized the vulgar evolutionism advocated by the reformists; in addition, the ever developing naive materialist dialectics were a heritage of China. Therefore, although Sun Yat-sen's philosophy has not attained the heights of dialectic materialism in such aspects as ontology, the theory of knowledge, and the view on development, it contains rather rich ingredients of materialist dialectics. Other comrades held that Sun Yat-sen's philosophy is a kind of materialism in transition to dialectic materialism. They said: Sun Yat-sen's philosophy is not an independent entity. It is neither mechanical materialism nor dialectic materialism but an interim materialism which is partly mechanical materialism and partly dialectic materialism.

ON THE PLACE OF SUN YAT-SEN'S PHILOSOPHY IN HISTORY. There is a view holding that Sun Yat-sen's philosophy is the comprehensive and systematic summary of the philosophy of the modern Chinese bourgeoisie which prepared the conditions for the rise of the Chinese proletariat's philosophy. Sun Yat-sen expounded the evolutionist materialist world outlook in a more complete form than those elaborations by Kang Youwei, Yan Fu, and Zhang Taiyan. [paragraph continues]

He negated the vulgar evolutionism in the fields of natural sciences, sociology, and the theory of knowledge, and emphasized the roles of "sudden change," "revolution," and the "phenomenon of latecomers surpassing old-timers" in the process of evolution, thus providing the theoretical basis for the bourgeois democratic revolution of the old type. In due course when such radical democrats as Li Dazhao turned into communists with a proletarian world outlook, Sun Yat-sen's philosophy played the role of a "pioneer" and "bridge." Another view holds that Sun Yat-sen's philosophy did not represent the highest philosophical level that the modern Chinese bourgeoisie attained, neither did it prepare any conditions for the rise of the Chinese proletariat's philosophy. One thing supporting this view is that the achievements demonstrated in the book "Sun Yat-sen's Theory (Spiritual Education)" which Sun Yat-sen published in 1919 did not go beyond the philosophical frontier that Zhang Taiyan had explored. More than 10 years before the publication of this book by Sun Yat-sen, Zhang Taiyan had already criticized the vulgar evolutionism, put forth the idea of "fusion" [ju bian 5112 6239], and introduced the concept of revolution into evolutionism, holding that revolution is a means to achieve social evolution. Moreover, Li Dazhao had already become a Marxist when this book by Sun Yat-sen was published. In 1918 Li Dazhao published several articles, including "Comparison Between the French and Russian Revolutions," "The Common People's Victory," and "The Bolshevik's Victory," to introduce the Russian October Revolution and Marxism-Leninism. And, again, he published "My Marxist View" in 1919. Thus it can be seen that the role of Sun Yat-sen's philosophy as a "pioneer" and "bridge" is just out of the question. On the contrary, it was a philosophy which lagged behind the time.

LI PENG ARTICLE ON EDUCATIONAL REFORM

HK161206 Beijing RENMIN RIBAO in Chinese 13 Jul 86 p 5

[Article by Li Peng: "Certain Questions Concerning Reform and Development of Higher Education (Excerpts)"]

[Text] Since the promulgation last year of the decision of the CPC Central Committee on reform of the educational system, gratifying changes have taken place on the educational front. The situation is very good. In recent years, higher education has been developing rapidly, and the reform of higher education has made certain headway. However, since the actual work of reform of the educational system is just in the initial stage, there are quite a few shortcomings and problems. We must have a clear understanding of this and make concrete efforts to solve these problems.

1. Restructure Higher Education, Improve Educational Quality

In a period to come, in the work of higher education, we should stress improving the quality of existing schools, so as to achieve more substantial results in all higher education. At present, we must concentrate our efforts on running the existing schools well. Generally speaking, we must not encourage opening more new schools. To ensure that the number of students will greatly increase during the period of the Seventh 5-Year Plan, we must mainly rely on the development of the existing schools and rationally extend their scope. At the same time, we must pay more attention to readjusting the makeup and distribution and improving the quality of higher education.

An important matter for readjusting the makeup of higher education is that there should be a rational division of work among universities and colleges in light of the different needs for people of ability in society. According to foreign experiences and China's realities, universities and colleges can generally be divided into three types: 1) A small number of schools that are comparatively good in teaching and scientific research. Apart from undergraduates, they also train students studying for doctor's and master's degrees. They will gradually become the centers of education and scientific research responsible for the training of high-level talent. 2) A large number of schools that mainly offer undergraduate courses. They are also required to carry out scientific research and academic activities, especially research in applied sciences, in order to improve educational quality. They must also render scientific and technological services. 3) All kinds of professional training schools. They must take teaching as their main task and enable the students to possess both professional knowledge and technical skills. The three types of schools are different in the division of work and the training of personnel. However, they are all very important and indispensable. In short, higher education is responsible for training various levels of personnel in accordance with the needs of society and in a rational proportion. All schools must give play to their strong points in light of their tasks and make continuous efforts to improve educational quality so that they may become outstanding schools of various types.

Under China's existing conditions, we must walk on both legs in developing higher education. While running well ordinary full-time schools, we must also vigorously develop broadcast, television, correspondence, sparetime, and night schools and offer examinations for self-taught students. If conditions allow, ordinary full-time schools must recruit more students for their correspondence and night schools. We must attach importance to developing TV education. With the progress of science and technology, TV education will gradually become an important means for the training of personnel. TV universities must recruit not only people who are working at their posts, but must also recruit graduating senior middle school students. The system of students studying at their own expense and no job assignment after graduation must be adopted so that more professional workers may be trained through this channel.

2. Reform the Enrollment Plan and the Assignment System for Graduates, Enhance the Administrative Power of Universities and Colleges

In the sphere of higher education, we must mainly grasp the following reforms this year:

The reform of the enrollment plan and the assignment system for graduates was started last year. It should be perfected this year on the basis of summing up experiences. The reform of the grant-in-aid system, which concerns the immediate interests of the students, should be carried out with caution. An experiment in this respect will be made in some selected schools and for certain professions this year in order to get some experiences, so that it may be gradually popularized later.

It is necessary to improve the enrollment and training systems for postgraduate students. In the future, in light of the different requirements of different professions, postgraduate students may be recruited either from graduating university and college students or from those who are working at their posts and who have some practical experiences, especially those who are working in fields such as the social sciences, finance, and engineering. [paragraph continues]

It is necessary to gradually reform and improve the methods for training postgraduates. Topics for the students' theses must fit in with the needs of socialist construction. It is necessary for the postgraduates to study basic courses, but there should not be too many such courses and the period for this study should not be too long. It is necessary to find more and more channels for the training of doctors so that people who are working at their posts and who have accumulated rich experiences in their long-term practice can also have the opportunity to attain this academic degree. We can also confer some new academic degrees, such as "Doctor of Engineering" and "Doctor of Clinical Medicine," so as to open up new channels for high-level practical workers to attain this academic degree.

In order to enhance the ability of universities and colleges to suit the needs of economic and social development, it is necessary to extend their administrative power while strengthening and improving their macromanagement. The State Council has promulgated the "Temporary Provisions on Duties of Higher Educational Management." This is a concrete measure for implementing the "Decision of the CPC Central Committee on Reform of the Educational System." The main spirit of these "Provisions" is to grant universities and colleges more decision-making power in school administration so that they can make bold explorations and gradually accumulate a series of experiences in light of their concrete situations and in various fields of their work, such as the reform of teaching materials, teaching methods, management over the students and scientific research, and rear-service work.

3. Improve and Strengthen the Work Concerning Selecting and Sending Students To Study Abroad and Their Management

Over the past few years, China has sent large numbers of students to study in other countries and has made marked achievements in absorbing advanced science and technology and management experiences from abroad. Most Chinese students studying abroad love their socialist motherland. They are studying hard and doing exceedingly well in their studies. Quite a few of them have made creative achievements in scientific research, winning honor for their motherland. The returned students have rendered outstanding contributions to our socialist modernization. Many have become the core members of various grades and professions and have been playing a leading role in various educational and research units. Practice shows that sending students to study abroad through various channels completely conforms to China's policy of opening up to the outside world and the needs of the four modernizations drive. We must continue to do so in a long period to come.

Of course, there are also some problems in the selection, sending, and management of students studying abroad. The main problems are that the plan for sending students abroad is not closely linked with the needs of our national construction and the system for management over students studying abroad is still imperfect. We must sum up our experiences and adopt effective policies and measures to solve these problems. We must further understand that the work of sending students abroad must proceed from China's realities and be closely linked with the needs of our production, construction, scientific research, and personnel training, so that it can help solve our problems in production and scientific research and enhance our ability of training people with advanced professional skill. [paragraph continues]

In this work, we must manage to act in accordance with the following principles: Send students abroad in light of our needs and ensure the quality of the students, who are required to study for the purpose of application; endeavor to create conditions for the returned students to apply what they have learned so that they can give play to their roles and contribute to the construction of their motherland with ease of mind.

We must strengthen ideological and political work as well as education in patriotism and communist morality among students studying abroad so that they can make up their minds to pioneer a great cause through arduous efforts and to study hard for the rejuvenation of China, and so that they can return to our country as soon as they finish their courses to participate in our national construction. We must make proper arrangements for the work of returned students in accordance with the principle of applying what they have learned. Besides, we must also help them acquire knowledge of the latest development of our internal situation, our tasks, and the party's policies and principles and encourage them to learn from the older generation of returned students their spirit of building our country through arduous efforts, so that they may work hard in their units and create conditions for their work.

To study abroad at one's own expense is another channel for training professional personnel and should be encouraged. We must show concern for and treat equally both the students studying abroad at their own expense and those sent by the state, without discrimination in their life and work.

4. Strengthen and Improve Ideological and Political Work in Universities and Colleges.

In universities and colleges, strengthening ideological and political work is an expression of implementing the educational policy of enabling the students to develop morally, intellectually, and physically, and an important content of moral education. Our purpose is to train professional personnel who have ideals, morality, cultural knowledge, and a sense of discipline and who have the communist consciousness and moral character and the spirit of serving the people and devoting themselves to the four modernizations. To attain this purpose, we must strengthen moral education and ideological and political work.

We are now in a new situation of overall reform. The main task for ideological and political work in universities and colleges is to work efficiently around the central task of the four modernizations and various reforms, especially the educational reform, to help the students as well as the teachers and staff members correctly analyze the situation, understand the party's policies and principles, distinguish between right and wrong, and conscientiously resist all kinds of erroneous trends, so as to guide their thinking and action onto the track of fulfilling the general target of building socialism with distinctive Chinese characteristics.

Our universities and colleges are of socialist nature. They should create for the students and teachers a political environment and academic atmosphere characterized by a high degree of civilization and democracy. The CPC committees of these schools must make their positions known to all in the political and ideological fields, so that people can know what they support and what they oppose. [paragraph continues]

But they must adopt methods in their work. On the question concerning people's understanding, we must not adopt simple methods and the methods of coercion and prohibition. In the contrary, we must encourage and allow young students to think and to explore, while keeping themselves within the bounds of discipline. The leaders and political work cadres must cherish the initiative of the students and treat them as equals and must be open-hearted, convince people by reasoning, and touch people by warm feelings.

In order to strengthen ideological and political work in universities and colleges, it is necessary to establish and perfect the contingent of political cadres there. We must have both full-time and part-time political cadres. We must select cadres from among the outstanding teachers and students who have both ability and political integrity. This is not only conducive to maintaining close ties with the masses but also to combining ideological work with professional work. Ideological and political work is also a subject for study, and the political cadres are also a part of the contingent of teachers. We must invite them to engage in relevant teaching work so as to stabilize and develop this contingent. Teachers are responsible for both imparting knowledge and educating people. Not only should they impart their knowledge to the students, but also they should set a good example for the students and exert an imperceptible influence on them in the education in morality and consciousness. This is a basic requirement set by our party and state for the teachers.

Reform must be carried out in the content and teaching method for political and theoretical lessons. The content of political lessons can be extended, and education in the political situation and policies should be included in the teaching program. To carry out education in light of the practical problems in which the students are most interested is a vivid method of marxist education. It is necessary for leading cadres at all levels to go to schools to give lectures and hold forums. This should become a regular system and should be carried out for a long time. Education in Marxist theories is of great significance to the formation of a correct outlook on life. We must enable the students to grasp the basic knowledge as well as the stand, viewpoint, and method of Marxism. To this end, we must change the spoon-feeding way of teaching and encourage the elicitation method.

The Seventh 5-Year Plan is a period of key importance for our country in carrying out reform of the educational system and developing higher education. Our tasks are very heavy and arduous. The reform is just in the initial stage. The broad masses of teachers and leading cadres on the higher educational front must give play to their spirit of exploration and carry out the reform boldly so as to blaze a new trail in promoting Chinese-style higher education suiting our reform of the economic structure and scientific and technological system.

LEADERS URGED TO AVOID COMPLACENCY, HEED CRITICISM

HK160835 Beijing RENMIN RIBAO in Chinese 14 Jul 86 p 1

[Commentator's article: "Self-Consciousness and Social Recognition -- Third Commentary on Rectifying the Unhealthy Trend of a Trade"]

[Text] In the course of rectifying unhealthy trends in various trades, some trade leaders often indulge in self-satisfaction. [paragraph continues]

They tend to conclude that the work of correcting unhealthy trends in their trades has been effectively completed, once they see that the party committees have held some relevant meetings, have adopted some measures, and have issued some instructions to the grass-roots units, or have received some commendatory letters from the public. If they become self-satisfied just because they see such statistical data rather than the actual problems being settled, their feelings are not quite realistic. In the eyes of the masses, they may appear to self-glorify.

Whether the general conduct of workers in a trade is good and whether any irregular practice in a trade has been effectively checked should not be judged merely by the trade leaders' personal feelings. There is an objective criterion for judging such things -- social recognition. Satisfactory work and services of a trade should be recognized by society rather than by trade leaders' personal feelings.

Some people may say that it is too hard to seek social recognition, because the work of a trade, a unit, or a worker is often simultaneously criticized and praised by different people. Then, how can a definite conclusion be reached? Indeed, it is never easy for a trade, especially a service trade, to win unanimous praise for the public. A unit which does a good job may also make some errors and may be criticized by the customers. Conversely, some units whose service quality is inferior may also win some customers' praise as there are also some positive factors in these backward units. However, this does not mean that there is no objective criterion for judging the service quality of a trade. People often measure the work of a unit with their eyes and compare the services offered by one unit with those of another. At present, in the course of rectifying the unhealthy trend of a trade, there are no obvious differences in customers' evaluation of the work of some service trades. The problem is that the personal feelings of some trade leaders are far different from public opinion. In some trades where the general conduct of the workers is not so good, the trade leaders even feel satisfied with the state of things. They too readily give credence to the reports from their subordinate units which often hold back unpleasant information. They too easily become intoxicated with praise and compliments from leaders of other trades and simply rest content with their limited achievements. They lay too much stress on the results of such formalist activities as comparison, appraisal, and inspection, but they do not accept any sharp criticisms from the public and do not face squarely the serious problems in their trades. As a result, the masses are airing their grievances outside, but the responsible people are praising each other inside. The story about "Zou Ji's Expostulation With the King of Qi" is well-known to everyone. As this story shows, a person should have self-knowledge and should objectively judge his or her prettiness or ugliness. The subjective opinion of people who are close to him or who try to find favor with him should not be taken for granted. The only objective appraisal is public opinion. If the above-mentioned trade leaders had self-knowledge like Zou Ji, they would not be so complacent.

Now many units in various service trades have set up "social supervision posts" or installed "social supervision telephones." This is an effective method to overcome the unrealistic feelings of self-satisfaction. At the same time, we also suggest that those leading comrades who are complacent about the work of their trades go out of their offices to sound out the public feelings and to listen to the people's voice. [paragraph continues]

They may also gain some personal experience by buying goods at a shop, subscribing to magazines at a post office, staying at a hotel, travelling by train, bus, plane, or ship, seeking medical treatment at a hospital, or seeing a film at a cinema like an ordinary person so that they may find out how customers in their trades are treated and may have a clearer idea and more realistic feelings after viewing things from the angle of an "onlooker." This will help them to find out more about the real state of the unhealthy things in their trades and promote them to take resolute action to check the unhealthy trend.

RENMIN RIBAO COMMENTATOR EMPHASIZES WORK EFFICIENCY

HK170057 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Jul 86 p 2

[Commentator's article: "Efficiency Should Be Stressed in All Work"]

[Text] At a 8,000-strong rally held in January this year, Comrade Hu Yaobang talked of the leading role of the central organs. The first requirement he set on these organs was the "enhancement of efficiency." In the past 6 months, this requirement has become a self-requirement and conscious action among more and more organs and cadres. A new drive in which people bravely overcome bureaucracy and make every effort to raise working efficiency is taking shape.

However, some localities have made no move so far. Cadres and masses at the grass-roots level there keep on complaining of the practice of evading responsibilities, the dilatory style of work, and disputes over trifles; those who are on a business trip continue to be annoyed for the bureaucracy and the "phlegmatic temperament" shown by the officers of many units they are dealing with; and foreign friends who have come to China on the mission of economic and technological exchange continue to be surprised by the extraordinary poor efficiency of some organizations.

Indeed, various bureaucratic practices characterized by a dilatory style and poor efficiency still have hardly been changed in certain units -- people are involved in frequent meetings without taking any real action, document are passed from one unit to another without resulting in any definite decision; protracted discussion leads to no resolution, and adopted resolutions are not implemented; some things which in fact can be accomplished within one day are always delayed for several days; some people always refuse to make decisions on something which they are in charge of but shift the responsibility onto others, remaining indifferent to some important things that the masses are seriously concerned about...Some people fail to grasp the real meaning of the slogan -- "time is money and efficiency is the lifeblood" -- although it is familiar to their ears. They are just unaware of their poor efficiency and dilatory style, staying idel all day long without achieving anything. Such an apathetic attitude toward poor efficiency is even more worrying than the poor efficiency itself. We indeed need to give them a loud shout: Hey, comrades, it is time to wake up!

The modernization process is calling for high efficiency, the refoprm is calling for high efficiency, and the drive to further rectify party style is calling for high efficiency too. Nowadays a vast number of workers, peasants, and intellectuals are attaching greater and greater importance to efficiency, and there are more and more comrades in the leading organizations at all levels calling for the enhancement of efficiency. [paragaph continues]

However, some of our comrades, especially those who are holding leading posts, remain indifferent to this appeal. Their attitude cannot but serve to slow down the development of our cause as a whole. The society is an organic whole. The reform has showed increasingly clearly that no success can be achieved with only a small number of enterprises and organs engaging in the reform and stressing efficiency. To fulfill our goal all enterprises and organs must make concerted efforts to push forward the reform and raise efficiency. The most important point is that the leading and commanding organs must take the lead in raising efficiency. Otherwise, the whole situation will be affected by these organs acting as the stumbling blocks.

In order to overcome bureaucracy and raise efficiency, the step of prime importance is to reform the old structure that hampers rapid development in various fields. But, the structural reform cannot possibly be completed within a short time. What is more, everything still has to be done by people even if a good structure and a good system are available. Therefore, from now on we must take the initiative in overcoming all bureaucratic ideas and style. We must resolutely get rid of the overlord mentality characterized by indifference toward the cause of the party and the people and cultivate a high sense of responsibility for the cause of the party and the people. We must break away from the small producers' outmoded passive concept and individualistic aversion to discipline and attach great importance to time, efficiency, and economic results. To be sure, no movement like the "Great Leap Forward" which violates the law governing the developments of things will be launched again. However, we must seek high efficiency that can meet the needs of the development of things. Without high efficiency, there will be no modernization. Without high efficiency, there will be no bright and splendid future of the Chinese nation. Every man who wants to be involved in the reform and the four modernizations will necessarily be a man who is enthusiastic in raising efficiency.

Raising efficiency is an important part and a target of the reform. One can never raise efficiency without overcoming any obstacle and carrying out any struggle. Every Communist Party member should play an exemplary role in not only observing discipline and law and working hard but also in bravely criticizing and fighting against bureaucracy. Also, our leading cadres at all levels should welcome and encourage the masses to criticize, accept their criticism with an open mind, be eager to overcome bureaucracy, and be the pioneers in raising efficiency. Now that Communist Party members and leading cadres at many organs have set good examples, we believe that more Communist Party members and leading cadres are bound to follow them.

HONGQI URGES NEW CADRES TO ACCEPT WORK AT ALL LEVELS

HK160905 Beijing XINHUA Hong Kong Service in Chinese 0239 GMT 16 Jul 86

[Report: "HONGQI Commentator's Article Stresses That China's New Cadres Should Also Be Ready To work at Both Higher and Lower Posts" -- XINHUA headline]

[Text] Beijing, 16 Jul (XINHUA) -- The latest issue of HONGQI published today says in a commentator's article that through reform, a regulation should be laid down in the whole country: Cadres in all age groups must be ready to work at both higher and lower posts, and there should be no lifelong tenure of office.

The article says: Cadres being able to work at both higher and lower posts represents a major reform in China's cadre system. Without adopting this reform measure, it will be hard for China's economic structural reform to develop in depth.

Since 1982, hundreds of thousands of young and middle-aged cadres have been promoted to leading posts at and above the county and bureau level. These new cadres should use their specific action to implement the principle of cadres being able to work at both higher and lower posts. We should not think that once a cadre is promoted to a leading post, he will definitely hold the post until he reaches 60 years old, no matter whether he is competent or not. Now, most people's wages are composed of a number of parts with the part determined by their work position as the main body. All incumbent cadres must observe this regulation: They should take the wage appropriate to their posts so as to change the convention of cadres enjoying lifelong high pay throughout their lives.

The article stresses that cadres who have been proved incompetent in the leading posts they hold should be resolutely removed to other post most suited to them. The leading departments should do so as soon as possible. Experts, scholars, and professional cadres who are not suited to party and administrative work, should be transferred to the leading posts of relevant departments which can bring their strong points into play. Experts with profound attainments should be allowed to concentrate on their professional work according to their own will. Cadres who are involved in serious irregularities should be resolutely dismissed from office.

The article entitled "Newly Promoted Cadres Should Be Ready To Work at Both Higher and Lower Posts" says that in China, it should be advocated that not only incompetent cadres should be removed, but competent cadres should also be changed regularly so as to make way for more capable and suitable people. That is, leading cadres should be changed regularly.

CHEN MUHUA REVIEWS BANK'S PROGRESS, GIVES GOALS

OW160355 Beijing XINHUA Domestic Service in Chinese 1353 GMT 15 Jul 86

[By reporter Chen Yun]

[Text] Beijing, 15 Jul (XINHUA) -- Addressing a national meeting of branch directors of the Agricultural Bank today, Chen Muhua, state councillor and president of the People's Bank of China, said that the bank has played an important role as a lever in improving the current economy. However, she noted, the shortage of funds has basically remained unsolved. Therefore, in the second half of this year, the bank should strive to promote steady improvement in the national economy by lending support to the achievement of an appropriate economic growth rate, while seeking a balance between credit and loans.

Chen Muhua described notable achievements in the following six fields as a result of macroeconomic banking measures taken since the beginning of this year:

First, more cash has been withdrawn from circulation than in previous years. In the first 6 months of this year, 6.5 billion yuan more was withdrawn than in the same period last year.

Second, savings deposits have continued to rise at a relatively fast pace. In the first half of this year, the aggregate increase in rural and urban savings deposits was over 30 billion yuan, topping the same period last year by 47.5 percent. By the end of June total rural and urban saving deposits had already reached 192.6 billion yuan.

Third, the demand for circulating funds has been basically met. In order to alleviate the strain on circulating funds, which temporarily appeared earlier this year, the People's Bank lent support to the production of readily marketable goods and export commodities, and to the operations and material supply of energy, communications, and the raw and semi-finished materials industries, assisted enterprises to repay long-standing loans, and issued additional loans to new enterprises to meet their needs for circulating funds.

Fourth, the structure of agricultural loans has been rationalized to support the development of farming and agriculture. In the first half of this year, agricultural banks and credit cooperatives in various localities adopted a policy regarding loans for different areas and trades, and gave preferential treatment and issued more loans than last year to farming and agriculture, grain production in particular. Loans for village and town enterprises also increased, except for those used for installing equipment. Loans for impoverished areas also increased by a relatively big margin, to exceed 1 billion yuan in the first half of this year, according to statistics from 26 branch banks.

Fifth, loans for fixed assets have grown at a moderate rate

Sixth, the foreign exchange balance has somewhat increased as a result of active efforts to increase exports and limit imports.

Chen Muhua said: The current noteworthy issues are: The growth of industrial loans and industrial production is uneven, more enterprises are defaulting repayment of loans, and banks are not flexible enough in extending loans.

Chen Muhua said: Since the demand for capital is still very great in various economic sectors, banking operations during the second half of the year should be: Taking active steps to raise more capital, placing the overall size of capital construction under strict control, handling circulating funds according to the different situation in individual cases, and adopting more flexible measures for extending loans.

Chen Muhua said: Capital management should stress work in the following five areas: 1) Encouraging savings. This calls for improving services, setting up more branches, and instituting various types of savings accounts. 2) Promoting postal savings services. The money obtained from such services should be reserved for use by the local People's Banks as short-term loans. 3) Extending more loans to be used as circulating funds on the basis of having attracted more savings. 4) An enterprise, new or expanded, should take positive measures to raise 30 percent of the circulating funds it needs for its operation. Should it have problems, our specialized banks may render it support by means of floating bonds or providing it special loans. 5) Providing discounts for the cashing of commercial notes to help enterprises liquidate delinquent payments, enliven the use of capital, and reduce cash input; and helping the relevant quarters and enterprises dispose of idle and overstocked commodities and curtail unreasonable credit.

Concerning capital use, Chen Muhua said that three principles should be adhered to:

1. Actively support what ought to be supported. This includes ensuring capital to purchase agricultural and sideline products; continuing to support production of export-oriented and marketable goods; providing favorable credits to enterprises which have actively carried out lateral economic ties with other regions and departments, have produced good economic returns, and are in need of circulating funds for expanding production; providing circulating funds for profitable rural enterprises whose products are marketable, and who have a good credit rating; and appropriately easing the terms in providing loans to impoverished areas. To stabilize supply, our banks should also give priority consideration to providing loans to wholesalers who need money for stockpiling a reasonable amount of goods.
2. Strictly control what should be controlled. Our banks should strictly control the size of capital construction and firmly reject loans for nonbudgeted construction projects not officially approved by the State Council. Nor should loans be extended to those unqualified enterprises whose products are unsalable, enterprises where no one will hold themselves accountable for losses, and enterprises which have misused their circulating funds for capital construction.
3. Earnestly improve what should be improved. In accordance with the requirements of a planned commodity economy, our banks should gradually improve their means for settling accounts, providing loans, and supervising operation, in order to keep up with needs.

DEMOCRATIC PARTIES END MEETINGS IN BEIJING

0W160559 Beijing XINHUA Domestic Service in Chinese 0711 GMT 15 Jul 86

[By reporter He Ping]

[Text] Beijing, 15 Jul (XINHUA) -- The fourth meeting of the Standing Committee of the Fourth Central Committee of the China Democratic National Construction Association and the fourth meeting of the Standing Committee of the Fifth Central Committee of the All-China Federation of Industry and Commerce ended here today. The meetings adopted resolutions on separate occasions, calling on organizations at all levels under the respective democratic parties to do a good job in admitting new members, in replacing the old leadership with the new and in creating a new situation in doing their work for their own party.

It has been reported that the number of new members admitted into the China Democratic National Construction Association since the beginning of last year accounted for 20 percent of the entire membership. Most of the new members are under 50, and 40 percent have received a college education. The majority are doing economic work and scientific and technical research. Many of them are factory directors, company managers, directors of research institutes, assistant professors, assistant researchers, economists, accountants, statisticians, and lecturers. In addition, the China Democratic National Construction Association had also set up some committees, branches, and teams in various cities and counties. Currently, it has a total of 209 local chapters. It has also gradually assigned new middle-aged and young cadres to work in its leading bodies at all levels.

At the same time, the All-China Federation of Industry and Commerce also admitted more than 2,800 members from various enterprises, over 40 Chinese-foreign joint ventures, enterprises with cooperative management, and enterprises with sole foreign investments as members. Currently, the work of admitting new members is still being carried out.

The two meetings had, on separate occasions, adopted a resolution to endorse the report submitted by the Central Committee of the China Democratic National Construction Association on the work of its leading group for new membership and another resolution to endorse the report submitted by the All-China Federation of Industry and Commerce on the work of its leading group for new membership. They had also adopted, on separate occasions, a resolution on the convocation of the Third Session of the Fourth Central Committee of the China Democratic National Construction Association and another resolution on the convocation of the Third Session of the Fifth Executive Committee of the All-China Federation of Industry and Commerce. At the same time, they announced personnel appointments and dismissals.

Attending the separate meetings were vice chairman of the Central Committee of the China Democratic National Construction Association Sun Xiaocun, Pu Jiexiu, Tang Yuanbing, Chen Suiheng, Chen Mingshan, Wan Guoquan, Feng Tiyun, and Huang Daneng; as well as Chairman Hu Ziang and vice chairmen Luo Shuzhang, Liu Jingi, Jiang Peilu, Xiong Yingdong, Huang Liangchen, and Sun Fuling of the All-China Federation of Industry and Commerce.

REFORM OF ENTERPRISE PARTY LEADERSHIP URGED

HK040760 Beijing GONGREN RIBAO in Chinese 27 Jun 86 p 1

[Commentator's article: "A Considerable Change Should Be Effected in the Party's Work in Enterprises"]

[Text] A considerable change should be effected in our party's work in enterprises. This is the enlightenment we should gain after reading the report carried in today's GONGREN RIBAO on how the party committee of Taoyang coalmine supported the factory director in exercising his powers.

The situation requires that a considerable change in our party's work in enterprises be effected. The reform of the enterprise leadership system is an important component of the reform of the urban economic structure. A key link in the reform of the economic structure during the Seventh 5-Year Plan period is to invigorate enterprises, large and medium-sized state enterprises in particular, so that they can truly become relatively independent economic entities and producers and operators of socialist commodity production that are independent and responsible for their own profits and losses. For this reason, we should reform the enterprise leadership system, separate party leadership from government administration and government administration from enterprise management, and implement the system of factory directors assuming sole responsibility for production, operation, and administrative management. Party organizations in enterprises should shift the focus of their work to ensuring and exercising supervision over the implementation of the principles and policies of the party and state and doing a good job of the party's ideological and organizational construction and ideological and political work. [paragraph continues]

This is an essential link in the ongoing reform of China's economic structure. If we fail to carry out the reform and effect the change, it would be impossible to invigorate enterprises and attain better economic results. Consequently, it would adversely affect the reform of the urban economic structure as a whole.

By shifting the focus of the party's work in enterprises, it will serve to improve and strengthen rather than weaken party leadership. It has been a long-standing view of certain comrades engaged in enterprise party work that party leadership means exercising management over production and appointing and removing administrative personnel. Under the influence of such an idea, many comrades undertook all administrative affairs, but slackened their efforts on the work of party organizations. By shifting the focus of the party's work, leading cadres of enterprise party organs can extricate themselves from administrative affairs; put the stress of their work on vigorously supporting the factory director's activities, ensuring and exercising supervision over implementation of the principles and policies of the party and state, and doing a good job of the party's ideological and organizational building and ideological and political work in enterprises; and give full play to the ideological and political role of party leadership.

In order to shift the focus of the party's work, it is necessary to first effect an ideological change. The merging of party leadership and government administration and party leadership over everything (in actual life, such leadership also meant undertaking everything) took shape under certain historical conditions. Facts have proved that it is not suited to the development of a commodity economy or to economic invigoration and management of modern production. Therefore, reform is imperative. Experiments conducted in some state enterprises throughout the country since 1984 have produced fruitful results. The question now is that some comrades are used to the old practice and idea of party leadership over everything and lack understanding of the importance and necessity of the reform. This question must be resolved. Without an ideological change, it would be difficult to take moves consciously with pleasure. The comrades in charge of party committee work or other work in enterprises should study hard, keep in ideological unity with the principles and policies of the CPC Central Committee, resolutely discard the ideas of matching powers and one man having the say, put reform foremost, and make concerted efforts to appropriately reform the enterprise leadership system.

RAILROAD PASSENGER TRAFFIC SHOWS DECLINE

HK170245 Xian Shaanxi Provincial Service in Mandarin 0100 GMT 17 Jul 86

[Text] According to the ZHONGGUO XIBU KAIFA BAO [WEST CHINA DEVELOPMENT JOURNAL], average daily passenger volume on China's railroads in the first half of this year showed a decline of 400,000 compared with last year. There are four specific reasons for this: There has been a drop in the vast number of meetings and a corresponding drop in the number of cadres travelling by train to attend them; briefcase companies have folded; there has been a big development of road transport, with an increase in the number of passengers travelling by road; and prices of short-distance railroad tickets have been readjusted.

PLA TO INTRODUCE NONCOMMISSIONED OFFICER STATUS

OW041123 Beijing XINHUA in English 0707 GMT 4 Jul 86

[Text] Beijing, July 4 (XINHUA) -- The Chinese Army is for the first time to have noncommissioned officers, according to the general staff of the People's Liberation Army today.

A total of 76 administrative and technical posts such as company quartermaster and secretary, director of radio station and technicians of various kinds, jobs formerly done by Army officers will be taken assigned to noncommissioned officers. This reform is expected to be completed by the end of next year.

The People's Liberation Army has already set up two schools for noncommissioned officers and NCO training classes in 42 military academies and schools. Enrolment has started.

Candidates will be selected from male servicemen who have been in the Army for one year and have a good record. After studying in these schools, the noncommissioned officers will serve in the Army for 10 to 12 years, longer than junior Army officers, military officials said. They said that the NCO system was an important step in the reform of the Army's organization.

YU QIULI URGES AIR FORCE TO IMPROVE LEADERSHIP

OW120509 Beijing XINHUA Domestic Service in Chinese 1435 GMT 9 Jul 86

[Text] Beijing, 9 Jul (XINHUA) -- Yu Qiuli, deputy secretary general of the Central Military Commission and director of the General Political Department, spoke today at a forum held by the Air Force party committee on party rectification and improvement in party style. He encouraged the leading bodies at all levels and the cadres with party membership in the Air Force to set high standards for themselves, fully play an exemplary role, and do better work for the service in the course of improving party style.

Yu Qiuli said: The leading bodies of the Air Force have maintained and carried forward the good traditions and work style. The members of the leading bodies resolutely implement the instructions of the party Central Committee and the Central Military Commission, and set strict demands for themselves. They are in the prime of their lives, hardworking, modest, eager to learn, and vigorous. Under the leadership of the new leading bodies, the commanders and fighters of the Air Force are working hard, and the Air Force tasks have been comparatively well accomplished.

He urged all Air Force commanders and fighters, particularly leading cadres at all levels and the cadres with party membership, to do an even better job henceforth under the leadership of the party Central Committee and the Central Military Commission.

In consideration of the realities of the Air Force, Yu Qiuli put forward three concrete demands for the leading bodies at all levels to improve themselves:

1. Leading bodies at all levels should seriously implement the guidelines of the PLA meeting on party rectification and improvement in party style. Leading cadres should set high standards for themselves and conscientiously examine and correct any problems concerning party style. The leading bodies can surely better themselves if they improve party style and play an exemplary role. The party committee of the Air Force of the Jinan Military Region, adhering to principle and setting a good example in the course of improving party style, correctly conducted criticism and self-criticism and dared to deal with the problems of headquarters and troop units. As a result, the conduct and discipline of their troops are better than others. We should seriously sum up and popularize the experience of those units good in party style to help improve the party style of the leading bodies at all levels.

2. We should pay attention to ensuring unity between higher and lower levels and among personnel at the same level. Unity is the foundation of our work. The unity which we stress is based on the party's line, principles, and policies. It is particularly important for Air Force units to ensure unity, because they have a large number of personnel and deal with many other units. First of all, we should ensure unity within the leading bodies at all levels. New and old members of a leading body should respect, help, and sincerely treat each other. They should adhere to principle in major issues and stress mutual understanding in minor ones. It is necessary to be broad-minded, respect others, and judge others more by their strong points. The party committee should uphold the system of democratic centralism. Secretaries and deputy secretaries should listen to opinions from all quarters, hold heart-to-heart talks with others, pool the wisdom of the masses, and arouse their enthusiasm. While ensuring internal unity, we should also achieve unity between ourselves and fraternal units and between ourselves and local governments.

3. We should enforce strict discipline in the Air Force and improve our work style. To enforce strict discipline, we should begin with the leading cadres and organs. Leading organs and cadres at all levels can surely promote good work style and strict discipline among the troops, if they set strict demands for themselves and set a good example in work style for the troops to follow.

YANG SHANGKUN ON IMPROVING PLA PARTY CONDUCT

OW121131 Beijing XINHUA Domestic Service in Chinese 1636 GMT 11 Jul 86

[Text] Beijing, 11 Jul (XINHUA) -- Addressing an enlarged meeting of the Beijing Military Region party committee today, Yang Shangkun, vice chairman of the Central Military Commission, stressed that party organizations at all levels and the vast numbers of party members in the military must continue to work hard to carry out the Central Military Commission's instruction that party organizations of the Armed Forces must fundamentally improve their conduct ahead of schedule so as to make due contributions toward improving party and social conduct.

Yang Shangkun said: During the plenary meeting of The Beijing Military Region party committee in December last year, the Central Military Commission expressed the hope that the Beijing Military Region party committee would strive to achieve a fundamental change for the better in its conduct ahead of schedule.

Our request that party organizations of the Armed Forces achieve a fundamental change for the better in their conduct ahead of schedule was made after repeated deliberations and in accordance with the Armed Forces' actual situation. There are many factors that can help the party organizations of the Armed Forces achieve this objective. For example, party members and cadres of the Armed Forces are better educated; as military collectives, the Armed Forces are highly disciplined; and the first stage of party rectification has also laid a good foundation for improving party conduct.

Yang Shangkun fully endorsed the work accomplished by the party organizations of the Beijing Military Region in improving their conduct as well as the work accomplished by regiment-level units and below in rectifying their party organizations. He said: The Beijing Military Region has accumulated ample good experiences during the first stage of party rectification. Regiment-level units and below have quite satisfactorily rectified their party organizations and improved their party members' conduct. If they continue to work hard, they certainly can achieve the objective of achieving a fundamental change for the better in party conduct ahead of schedule.

Yang Shangkun stressed: The party organizations of the Armed Forces must resolutely respond to the CPC Central Committee's call and continue to work firmly to improve their conduct. The party organizations of the Armed Forces must help bring about an improvement in social conduct with their exemplary deeds of improving their own conduct. If each comrade can influence 3 to 5 people, then the Armed Forces as a whole can influence as many as 10 million people. By engaging in spiritual construction with the civilian sector, the Armed Forces can further help local units improve their party and social conduct.

PLA IMPROVES PARTY STYLE, ARMY DISCIPLINE

OW050541 Beijing XINHUA Domestic Service in Chinese 0731 GMT 4 Jul 86

[By reporter Liu Huinian]

[Text] Beijing, 4 Jul (XINHUA) -- This reporter has learned of the following information from a briefing held by the Central Military Commission on the PLA's party rectification and efforts to improve party style: After 6 months of solid work, the PLA has made remarkable achievements in improving party style. Now it has taken on a new look in both party style and Army discipline.

The improvement in the PLA's party style is mainly shown by the following facts:

-- the PLA has basically stopped the unhealthy practices pointed out in a previous circular issued by the General Offices of the CPC Central Committee and the State Council. All units have earnestly examined and corrected existing problems. Now they have stopped the unhealthy practice of buying imported cars and are equipped with motor vehicles according to their table of organization and equipment. The units that must send personnel abroad have been paying more attention to exercising strict control over those who seek to go abroad, and no serious violations of foreign affairs discipline or national or human dignity have been found among those who go abroad. None of the active-duty leading cadres has taken TDY opportunities to make sightseeing trips.

The unhealthy practices of spending public funds on sightseeing, dinner parties, or gifts and of indiscriminately giving souvenirs on the occasion of meetings have been basically stopped. The problems of receiving illegitimate payments or engaging in business operations without authorization have been corrected.

-- The PLA has made a comparatively great progress in investigating and handling law and discipline violation cases, particularly those involving leading cadres. In dealing with important cases, PLA units generally guarantee results by a prescribed time and sternly investigate and handle the cases by seeking truth from facts no matter what leading cadres are involved. So far, units at and above the corps level have closed more than one half of the cases in their hands and are stepping up the handling of the unfinished ones. Some cadres who made serious mistakes have been punished. In accordance with a decision of the Central Military Commission, the Discipline Inspection Commission of the Central Military Commission has issued a circular to all PLA units on the handling of eight major cases. All major units have educated the troops with selected, typical cases. The vast number of party members and cadres say that they have been shocked and educated by those negative instances, and that the Army "truly means business now."

-- There is a good trend for the leading cadres to set a good example and take the lead in correcting unhealthy practices. Since party rectification began, most leading cadres of PLA units have become strict with themselves and honest in performing their duties. They do not flatter their superiors, nor do they vie with their peers for privileges. Some of them have, on their own accord, turned in the cars that are in excess of the authorized number. Some have canceled their car purchase plans. Others have voluntarily returned surplus public property or the gifts that they received. Still others have held family meetings to educate their dependents and relatives to strictly abide by law and discipline. When visiting subordinate units, some leading comrades have omitted their retinues, strictly abided by rules and regulations, and declined dinner invitations and gifts. The malpractice of "giving instructions, asking favors, seeking under-the-table relationships, and entering by the back door" in connection with cadre transfer and fighters' change of service status to volunteers or technical arms have been drastically reduced.

Bureaucracy has been corrected to a great extent and the leading style has greatly changed. The leading cadres and organs of major units have further established the notion of serving the grass-roots units, gone deep into the realities of life to find out the hardships of cadres and fighters, done solid work for grass-roots units, and stepped up Army building.

-- According to analyses made by major PLA units on the work style of the party committees of their subordinate units at and above the division level, a considerable number of their subordinate units have achieved or almost achieved a fundamental change for the better in party style, and a number of units and individuals have improved their party style.

PLA commanders and fighters are satisfied with the remarkable success achieved by the PLA in improving party style in the past 6 months. Many comrades say that "there are three things that they did not expect." First, they did not expect the party Central Committee and the Central Military Commission would be so serious in dealing with party style.

Second, they did not expect law and discipline violators, particularly those who are leading cadres, would be dealt with so resolutely and sternly. Third, they did not expect the work style of leading cadres and leading organs would improve so fast. However, the comrades also soberly understand that a great deal of work remains to be done to improve party style and that the efforts should never be slackened. Some comrades say that the decision made by the Central Military Commission to achieve a fundamental turn for the better in the PLA's party style within this year completely conforms to their aspirations, and that with such a decision, a fundamental turn for the better in party style can be achieved.

POLITICAL QUALITY STRESSED IN PLA EDUCATION

OW140330 Beijing XINHUA Domestic Service in Chinese 1057 GMT 13 Jul 86

[By reporter Xu Jingyue]

[Text] Wuhan, 13 Jul (XINHUA) -- A forum on ideological education of students in PLA higher-educational specialized institutions of technology, which concluded today, stressed the need to emphasize political quality in training students. It is imperative, the forum pointed out, to guide them in understanding the Marxist stand, viewpoint, and method. Students must uphold a scientific world outlook and a revolutionary philosophy of life so that they will cultivate a fundamental spirit to devote themselves to national defense work.

During the forum, representatives from higher-educational specialized institutions of the entire Army exchange their experiences in conducting ideological education in recent years. They discussed current problems of this task, and studied concrete steps to be taken to further improve ideological work among students. In a speech delivered at the forum, Zhou Keyu, deputy director of the PLA General Political Department, emphasized that military academies and schools should pay attention to ideological education and reform their teaching methods to meet the needs of building a revolutionary Army. He said: The study of political theories taught by military academies and schools should be reformed. In some academies and schools, the contents of the course are rather outdated, and the teaching methods comparatively rigid. These contents and methods cannot keep pace with our current social development and the advances we have made in science, nor are they suited to the actual state of thinking in the students' minds. It should be noted, however, that the most fundamental content of the political theories course in military academies and schools should be the basic tenets of Marxism. Without this fundamental education, the students would have no basis for building their scientific world outlook and philosophy of life, nor could they analyze and apply what they have learned from the new courses opened by the academies and schools. He pointed out the need to implement the principle of integrating theory with practice, and encourage them to go to the grass-roots units and among the masses so as to be tempered and to improve their ability through practice. He continued: The past few years have seen a variety of measures taken by military academies and schools to have their students take an active part in social practice. Some have organized the students to conduct social surveys during their vacations. Others have arranged for the students to be tempered through practical training in PLA units or on frontlines. Still others have organized their students to visit factories and villages or invited comrades from local departments or PLA units to come in to give speeches.

There are also some academies and schools that have established ongoing contacts with local people through various army-civilian joint construction campaigns. All these have yielded rather good results and are measures worth promoting.

The forum on ideological education of students in academies and schools of the whole Army opened on 9 July in Wuhan.

ARMY LEADERS REVIEW PARTY CONSOLIDATION EFFORTS

OW031946 Beijing XINHUA in English 1759 GMT 3 Jul 86

[Text] Beijing, July 3 (XINHUA) -- China's Armed Forces are hopeful of achieving a fundamental turn for the better in improving the Communist Party's conduct this year.

This is the view shared by delegates to a conference reviewing progress of the party consolidation drive started in 1984 within the armed forces. The 16-day meeting, which closed here today, was held by the Central Military Commission.

Yang Shangkun, vice-chairman of the commission, urged commanders at all levels to "speak the truth, do practical work, attach importance to investigations and make more extensive studies."

Yu Qiuli, director of the Chinese People's Liberation Army General Political Department, said that for a party organization, the indicator for the fundamental turn for the better in the party's conduct is whether or not the abuse of power, serious bureaucratism and undisciplined tendencies are corrected.

OFFICIALS SPEAK ON PLA PARTY RECTIFICATION

OW050408 Beijing XINHUA Domestic Service in Chinese 1515 GMT 3 Jul 86

[By reporter Liu Huinian]

[Text] Beijing, 3 Jul (XINHUA) -- The meeting sponsored by the Central Military Commission to report on the situation in the Army in correcting party style and conducting party rectification ended today. The comrades attending the meeting held: The Army hopes to achieve a fundamental turn for the better in improving party style within this year. It must continue to exert strenuous efforts.

Leading Comrades of the Central Military Commission Yang Shangkun, Yu Qiuli, Yang Dezhi, Zhang Aiping, and Hong Xuezhi and Secretary Guo Linxiang of the Central Military Commission Discipline Inspection Commission attended the meeting and made speeches.

This meeting began 23 June. Demonstrating the spirit of seeking truth from facts, the principal responsible comrades from various major units in the whole Army who attended the meeting reported the "good news" as well as the "bad news." They reviewed the situation in rectifying party style, studied how units at and below the regimental level carried out party rectification, and exchanged experiences. The meeting discussed issues of how to bring about a fundamental turn for the better in improving party style and fulfill the party rectification tasks in an overall manner and worked out various specific methods and measures in this regard.

According to the meeting, the various units of the whole army have resolutely implemented the Party Central Committee's and Central Military Commission's Directives on rectifying party style and paid great attention to the work of correcting unhealthy trends. They made even greater progress in doing such work and exposed and solved many problems after the central authority's meeting, which was attended by 8,000 people.

Some of the unhealthy practices pointed out by the central authority -- such as purchasing sedans, traveling with public funds, vying with one another to go to foreign countries, and eating and drinking extravagantly -- have been basically stopped. Some of the major cases involving cadres violating laws and party discipline have been handled, while others are under investigation. The idea of seeking truth from facts has struck deep roots in the hearts of the people, while fewer and fewer people are practicing fraud. Bureaucracy has been overcome to a great extent, and the style of leadership greatly improved. The broad masses of party members have further enhanced their consciousness in following party regulations and observing party discipline.

In his speech Yang Shangkun said: The entire Army has attained remarkable achievements in correcting party style and carrying out party rectification. This year it plans to fulfill the task put forward by the party Central Committee to unify thinking, rectify work style, strengthen discipline, and purify party organizations by means of party rectification. The Army hopes to fulfill its task in party rectification and do its job well from start to finish. The PLA is a highly centralized and unified organization. It has strictly enforced discipline. It should become a pace-setter in correcting party style and other unhealthy practices.

He said: During the second half of this year we must correct party style in close connection with party rectification. The most important thing in conducting party rectification is to strengthen the basic units. If we are able to bring the role of the basic party organizations as a powerful fighting force fully into play and build a strong core of leadership, we will definitely be able to overcome the negative factors and enhance PLA units' militancy.

On the issue of leadership style, Yang Shangkun emphatically pointed out: Leading cadres at all levels in the Army must speak the truth, do practical work, attach importance to investigations, and make more extensive studies. He called on leading cadres at all levels to improve their style of leadership and carry out their work in a down-to-earth manner. He said: Strenuous efforts must be made to correct bad work style, including telling lies and practicing fraud. All those who tell lies and practice fraud must be exposed, criticized, and educated. He also emphatically pointed out: Leading organs at all levels must adopt resolute measures to reduce the number of meetings and release fewer documents. Cadres must go deep into basic-level units to discover and solve problems on time.

In his speech Yu Qiuli said: Over the past 6 months party style in the Army has greatly improved. If we continue our efforts for a period of time, it is entirely possible for the army to bring about a fundamental change for the better in improving party conduct this year. We are full of confidence in this respect.

We urged the party committees at all levels in the army not to relax their efforts in correcting party style and to carry out their work in a down-to-earth manner during the second half of this year. He pointed out: We must continue to strengthen our education on party spirit, party style, and party discipline and step up our efforts in handling major and important cases. We must give specific guidance and deal with different units in different ways. In dealing with those units where party conduct has already been improved, we must begin to improve the system and consolidate the achievements attained. In dealing with units where problems abound, the leadership must personally take action to help consolidate such units and strive to bring about a fundamental change for the better in improving party style.

Yu Qiuli pointed out: So far as a unit is concerned, a fundamental turn for the better in party style mainly means that it has corrected both serious bureaucratic and liberalist tendencies in the political field and the practice of using one's authority to seek personal gain, that it has done a good job in handling the major and important cases, that it has basically eliminated unhealthy trends pointed out by the central authority, that it has brought the role of party organizations as a powerful fighting force fully into play, and that it has promptly exposed and solved all new problems by relying on its own efforts. So far as the whole army is concerned, such change means that the overwhelming majority of units have improved their party style and that the great majority of party members are able to consciously correct and resist unhealthy tendencies.

Yu Qiuli emphatically stressed the need to improve party conduct. He said: Efforts must be made to strengthen education on party spirit and transform our world outlook. One's party spirit is a reflection of one's world outlook. Some people have carried out unhealthy practices or even violated laws and discipline. One basic reason is that they have forgotten the purpose of serving the people, the style of work in waging arduous struggles, and the lofty ideals of communism. Only by strengthening the transformation of the subjective world will it be possible for us to strengthen our confidence in communism; oppose corruption by feudalism, capitalism, and other decadent ideologies; maintain and give full play to fine style of work; and maintain the true qualities of communists in the new situation of reform, opening the country to the outside world and enlivening domestic economy.

An important point in helping leading cadres transform their world outlook is to help them correctly deal with the authority in their own hands and do a good job in tackling the problem of making use of one's authority to seek personal interests. He said: We must impose stringent demands on leading organs and cadres and improve the democratic life within the party and the army. In selecting and promoting cadres we must pay attention to the candidates' ideas and moral standards. As more and more cadres stress party spirit and principle the general mood in the various units will become better and better.

On the issue of party rectification, Yu Qiuli said: Units at and below the regimental level belong to the last group in carrying out party rectification. Helping these units carry out party rectification is of great significance in fulfilling the overall task in party rectification and strengthening basic-level units and the entire army.

After analyzing the current overall situation in carrying out party rectification in basic-level units, he pointed out: Given the basic-level units' characteristics, in the course of solving problems we must pay attention to the following points:

1. We must place emphasis on helping party members raise their ideological level.
2. We must attach importance to solving problems with regard to cadres who are party members.
3. We must pay full attention to units where problems abound. Those units with more problems must bring about marked changes in their outlook by means of party rectification.

Leading comrades of various PLA general headquarters and of the Central Military Commission Discipline Inspection Commission also attended the meeting.

ALL-PLA CONFERENCE ON PERSONNEL WORK ENDS

OW091425 Beijing XINHUA Domestic Service in Chinese 1521 GMT 8 Jul 86

[By reporter Gai Yumin]

[Text] Beijing, 8 Jul (XINHUA) -- An all-Army troops work conference ended today. It called on the Army and local authorities to cooperate closely in successfully carrying out the work of recruiting new soldiers, demobilizing veteran soldiers, and resettling demobilized soldiers in accordance with the military service law so as to ensure the implementation of the Army's reduction-in-strength reorganization program and contribute to national defense modernization.

In his summing-up speech, Deputy chief of the General Staff He Qizong said: In accordance with the party Central Committee's decision to reduce the size of the PLA by 1 million troops, the first group of units began to carry out the program in the second half of 1985 and basically completed their task in the first half of this year. The reduction-in-strength reorganization work for the second group of units, currently being carried out in a planned and orderly way, will be basically completed by the end of this year. Carrying out the work of recruiting new soldiers and demobilizing veteran soldiers successfully concerns the realization of the party Central Committee's policy decision. Therefore, all units of the Army must attach great importance to this work and adopt effective measures to ensure it is done well this year.

Addressing the conference, Wang Daming, deputy director of the party Central Committee Propaganda Department, urged propaganda departments of party committees at all levels to regard publicizing the work of recruiting new soldiers, demobilizing veteran soldiers, and resettling demobilized soldiers as their important duty, and to further publicize the military service law. He said: The comrades of the various propaganda departments should realize that the work of recruiting new soldiers, demobilizing veteran soldiers, and resettling demobilized soldiers provides a good opportunity for conducting education on patriotism and on the legal system among the masses. The military service law is a fundamental law for national defense modernization. The promulgation of this law plays an important role in perfecting China's socialist legal system and has great significance in improving China's military service system, promoting the building of the Armed Forces, and defending the socialist motherland. Therefore, it is necessary to publicize this law constantly and year after year.

In his speech, Vice Minister of Civil Affairs Yang Chen stressed the need to strengthen the building of the legal system on demobilizing veteran solidiers and resettling demobilized soldiers. It is necessary to make good use of time to draw up a regulation on demobilizing and resettling compulsory servicemen, in accordance with the relevant provisions of the military service law and the requirements set forth in the CPC Central Committee and State Council's "Circular on Respecting and Cherishing the Army and on Supporting Military Reform and Building," so as to ensure that our demobilization and resettlement work is done well and according to law.

FIRST HOME-MADE NAVAL TRAINING VESSEL LAUNCHED

OW121314 Beijing XINHUA in English 1777 GMT 12 Jul 86

[Text] Shanghai, July 12 (XINHUA) -- China's first home-made naval training vessel was launched here today.

Built by the Qiuxin Shipyard in Shanghai, the "V-856" vessel, with a maximum displacement of 5,500 tons, can be used for training missions on high seas with 200 cadets and 30 instructors on board.

Officials at the shipyard declined to specify when the vessel will be put into active service, but disclosed that she will be equipped with modern navigation and pollution control facilities so that she will be fit for calling foreign ports.

LEADERS INSCRIBE FOR LAWYER ASSOCIATION

OW081446 Beijing XINHUA Domestic Service in Chinese 1346 GMT 7 Jul 86

[Excerpts] Beijing, 7 Jul (XINHUA) -- A National Lawyers' Association was founded in Beijing today. This is the first national social group of lawyers for the masses since the founding of new China. Liu Fuzhi, deputy secretary and secretary-general of the Central Commission for Political Affairs and Law, was appointed honorary president, and Zou Yu, minister of justice, president.

Comrade Hu Yaobang inscribed the name for the association. Peng Zhen, Deng Yingchao, Hu Qiaomu, Chen Pixian, Lu Dingyi, Peng Chong, Rong Yiren, and other comrades also wrote inscriptions or poems for the establishment of the lawyers' association. Peng Zhen wrote: "To ensure the accurate execution of the socialist legal system and to serve the people righteously according to the law are honorable duties of China's lawyers." Deng Yingchao wrote: "To be a people's lawyer is the highest honor." Hu Qiaomu's poem reads: "Here you come wearing a crown of thistles and thorns; here you come holding the sword of justice. Lawyer, you are a gate of holiness, yet also a gate to hell, but you see nothing of dangers or temptations. Your motto is: All men are equal before the law, and only the objective fact is the highest authority." Chen Pixian wrote: "Make full use of lawyers' functions and perfect the lawyers system." Lu Dingyi's inscription reads: "All men are equal before the law." Peng Choing's inscription says: "Expand the contingent of lawyers and raise their quality."

Rong Yiren wrote: "Congratulations to the founding of the National Lawyers' Association. Strive to implement the principle that in China 'all citizens are equal before the law'!"

At the National Congress of Lawyers which closed today, a constitution of the association was approved, and the association's council was elected. [passage omitted]

Addressing the closing session of the congress, Zou Yu, minister of justice and president of the association, said: The official founding of the National Lawyer's Association is a great event in reinforcing China's socialist democracy and perfecting the socialist legal system. It can be anticipated that the association will play an active role in, and have a far-reaching influence on, promoting China's socialist modernization and developing exchanges with the outside world by unifying lawyers of the nation, and by applying legal means.

WENZhai BAO ON PROBLEMS CAUSED BY RETIRED CADRES

HK151311 Beijing WENZhai BAO in Chinese No 327, 6 Jul 86 p 4

[Article summarized by Yang Hongxin from issue No 6 of LINGDAO KEXUE [SCIENCE OF LEADERSHIP]: "New Problems Caused by a Vast Contingent of Investigators"]

[Text] Since the reform of the administrative structure, large numbers of leading cadres have become investigators (including inspectors, supervisors, and assistants) after their withdrawal to the second line. Henan now has 50,000 cadres on the second line who are serving as investigators. Such a vast contingent of investigators has brought forth some new problems.

First, the investigators are permanent staff members. Although they enjoy the political treatment and remuneration of leading posts, they have failed to fulfil the corresponding duties. Thus, they occupy the posts in name only. If the number of these people increases within a unit with a limited establishment, the number of those doing practical work will decrease. Otherwise, the total number of staff will exceed the establishment. The actual size of an economic committee of a certain country was not yet determined, but some comrades said that the maximum number should not exceed 25. This organ now has four chairmen and vice chairmen and seven investigators at the chairman or vice chairman level. With an addition of seven to eight section chiefs, there will be only a few vacancies left for people doing practical work.

Second, if too many investigators are crowded in a unit, it becomes difficult to fully exploit their role. According to our investigation of 3 bureaus in a certain city, the ratio between members of the leading group and investigators was 8 to 12. Our investigation of 8 units in a certain county indicated that the ratio between members of the leading body and investigators was 32 to 24. The investigators can neither make policy decisions and direct work at leading posts as they did in the past nor serve as regular cadres. No wonder some leading cadres said: "It is really difficult for us to play the role of investigators. How could such a small grass-roots unit as ours have enough problems to justify such frequent investigation?"

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HK170233 Beijing RENMIN RIBAO in Chinese 15 Jul 86 p 7

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LIANG BUTING ADDRESSES SHANDONG MAYORS' MEETING

SK100606 Jinan Shandong Provincial Service in Mandarin 2200 GMT 8 Jul 86

[Text] After a 6-day session, the provincial conference for mayors and commissioners from various cities and prefectures concluded in Dongying City on 8 July. The conference was another important meeting to discuss economic work since the economic work forum sponsored by the provincial CPC Committee in Zibo City in June this year.

At the conference, the participants relayed and studied the spirit of speeches given by the central leading comrades with regard to economic work. By bearing in mind the actual situation in the province, they also analyzed the economic situation in the period since the beginning of 1986 and discussed the tasks for economic work for the latter half of this year.

At the conference, Liang Buting, secretary of the provincial CPC Committee, and Li Changan, deputy secretary of the provincial CPC Committee and governor of the province, delivered important speeches.

At the beginning of the conference, the participants heard a report given by the responsible comrade of the Shengli oil fields with regard to the work in construction and prospecting of oil fields. Also, they inspected the expanded site of the (Gudong) Oil Field. Upon seeing the oil field crew doing pioneering work arduously and waging tenacious struggles displaying the revolutionary spirit, they were greatly inspired and encouraged.

The conference held that the province's economic situation in the first half was good. Under the leadership of the party committee and the government at all levels, localities throughout the province dealt with the problems in economic work, which need to be dealt with urgently, in a timely manner. This has been favorable to promoting economic development. During the January-June period, the total industrial output value showed a 4.1-percent increase over the figure of the corresponding 1985 period. The increase scored by the cities and prefectures including Jinan, Qingdao, and Yantai, reached more than 10 percent. Despite the serious drought, the province still reaped a good summer grain harvest. The total output is estimated to show an increase over the 1985 figure. Meanwhile, the province has better fulfilled the tasks for both spring and summer sowing, had a bigger growth of seedlings, and laid a foundation for reaping a bumper autumn harvest. The province has also achieved new development in agriculture, animal husbandry, sideline production, fishery, and the diversified economy. The province has basically brought under control the scope of investment in capital construction among the state enterprises covered by the budget, increased in volume of investment in the key projects of energy resources and transportation, and accelerated the pace of building the projects. The increase scored in financial revenues has surpassed that scored in industrial production. The province has also realized a large-scale increase in local commodities, foreign trades, and exports, basically maintained the stability of commodity prices, and made the markets in both the urban and rural areas prosperous.

The conference held that the current problems in economic work are the low quality of some products and the increase of product cost; the product structure is not reasonable and the economic result is not ideal; the scope of the capital construction has not been brought under strict control; and the financial expenditure has shown an excessively rapid increase. As for these problems, efforts should be made to fully understand and deal with them at an early date in order to maintain the good trend of developing the national economy in a steady, stable, and harmonious manner.

The conference pointed out that the tasks of economic work for the latter half of this year are very heavy. Efforts should be made to concentrate on implementing the policies and measures that have been adopted to conduct economic work. During a certain period in the future, the departments at provincial and city-prefecture levels should organize some personnel to go deep into the grass-roots units to carry out investigation and study and to render service to them. In conducting reforms in economic systems, efforts should be made to earnestly examine and sum up the experiences gained in the reforms in line with the demand of consolidation, digestion, supplement, and improvement. We should persistently carry forward the measures which have been enforced in conducting reforms and been favorable for promoting the development of productive forces, and should gradually improve the measures which have been proved as inadequate. In line with the unified arrangement made by the central and provincial authorities, we should carry out the measures adopted to correct the major problems. As for the measures adopted to correct the minor problems, we should boldly carry them out as long as we deem them right. Meanwhile, in line with the emphasis of conducting reforms during the Seventh 5-Year Plan period, efforts should be made to organize investigation and studies in a planned and step-by-step manner in order to create conditions for making greater progress in conducting reforms in 1987 and 1988.

In concluding the conference, Liang Buting, secretary of the provincial CPC Committee, delivered an important speech on enlivening the rural economy. He pointed out: Developing the township- and town-run enterprises represents a strategic measure to make the province's economy comprehensively prosperous.

At the conference, Li Chang'an, deputy secretary of the provincial CPC Committee and governor of the province, also delivered a speech on analyzing the work done in the first half and making work arrangements for the latter half of this year.

Attending the conference were responsible comrades from the provincial level departments concerned.

SHANDONG TRANSFERS MILITARY TO LOCAL GOVERNMENTS

SK160916 Jinan DAZHONG RIBAO in Chinese 4 Jul 86 p 1

[Text] As of 26 June, our province had completely concluded the work of transferring the People's Armed Force departments of 137 counties, cities, and districts to the local governments.

The province's work in this regard was thoroughly carried out within 3 months, including the pilot work on transfer. During the period the provincial CPC Committee, the provincial people's government, and the provincial military district organized a leading group in charge of this work and held many meetings to make well-conceived arrangements for the work. Leading comrades in the provincial military district persistently went deep into the grass-roots level units to carry out the work in a down-to-earth manner and to sum up and popularize in a timely manner the experiences gained in the pilot work, so that they ensured smooth progress in conducting the work.

GUANGDONG'S LIN RUO VISITS TYPHOON-HIT AREAS 16 JUL

HK170243 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 16 Jul 86

[Text] By 1900 on 15 July, the flood waters in Meicheng had fallen below the warning line, and by this morning, the water had receded in most parts of the town, except for waterlogged low-lying areas. More than 100,000 marooned cadres and masses were out of danger, the town's communications are gradually returning to normal, and shops have reopened. Following Vice Governor Ling Botang's aerial inspection of Meixian prefecture on 14 July, provincial CPC Committee Secretary Lin Ruo personally went to the prefecture today to comfort the disaster victims, inspect the damage, and provide guidance for relief and rescue work.

HENAN COUNTY DISMISSES INCOMPETENT TOWNSHIP LEADERS

HK141158 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 13 Jul 86

[Text] According to HENAN RIBAO, in the first half of this year, the CPC Committee of Yanling County demoted and dismissed six incompetent township leading cadres. This caused great shock in the country.

Some comrades held that they were new cadres who made no mistakes and were young and that it seemed unreasonable to demote and dismiss them. But the county CPC Committee educated the people that though they made no mistakes, they had not made any breakthroughs for a long time. This would cause delay to the party's undertakings. It was outmoded thinking that to demote or dismiss them was unreasonable, though they made no mistakes.

The county CPC Committee took appropriate treatment for the demoted and dismissed comrades in connection with their cases. The CPC Committee offered relevant jobs to comrades who possessed special skills. The six cadres now express satisfaction with the party's arrangements, and are working hard at their posts.

While reporting this news story, HENAN RIBAO also published a commentator's article entitled "Promotions and Demotions of Cadres." The article says: Recently, a large number of young comrades has taken up leading posts. Facts have shown that most of them are competent. But there are also some who are incompetent. This is by no means a strange phenomenon. The bureau for selecting cadres must go through the process of examination and selection when promoting a cadre. But the process does stop when the cadre assumes a leading posts. Once it is discovered that a comrade is incompetent in handling the work of leadership, arrangements must be made for him so that he can do what he can and full play is given to his skills. This is a way of showing responsibility for the party's undertakings, as well as taking good care of him.

The article says: We should develop a common practice in which the promotions and demotions of cadres are a normal phenomenon. In particular, departments in charge of cadre affairs must not take demotion as only a means of disciplinary measure. After being demoted, the incompetent leaders can still become good engineers, good teachers, good doctors, good workers, or outstanding workers at other fronts. In the wake of popularizing the systems of recruiting cadres and hiring cadres for a term of office, cases of promoting and demoting cadres will become more common. While relatively stable, the contingent of cadres will constantly receive new blood. Only thus can we maintain the best performance of the cadres and make our undertakings always full of vitality.

ZHAO DI SPEAKS ON HENAN CADRES' ROLES IN REFORM

HK150605 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 14 Jul 86

[Text] The middle-aged and young cadres should strive forward and make contributions in the course of carrying out reforms. This statement was stressed by Zhao Di, secretary of the provincial CPC Committee, on the morning of 14 July at the provincial Party Schools sixth short-term class for advanced studies, which will be soon be completed, and its fifth class for leading party group cadres.

Zhao Di said: What we take over from the aged comrades is by no means only their posts but also responsibilities, undertaking, hopes and great trust, which are more important. He stressed: The middle-aged and young cadres must have a strong sense of political responsibility, as well as the sense of undertaking an historical mission.

Zhao Di said: The present development of the situation, as well as the trend of reforms, have offered our middle-aged and young cadres plenty of room and favorable conditions to give play to their skills and make contributions. Since the objective conditions are now available, whether or not they can make contributions rests with their subjective efforts.

Zhao Di emphatically stressed: We must develop among the middle-aged and young cadres a general, good practice of emulating each other's study, practice, revolutionary tradition and contributions. The middle-aged and young cadres must do well in their study, do more practical work, be bold in making innovations and strive forward.

Zhao Di said: Every leader should take as his motto the statement that "one who makes no contributions commits a mistake." As leaders assume important posts and are vested with authority, they should work hard and make contributions for the state and the people. Cadres who make few mistakes but have not made any great contributions cannot be regarded as good cadres, even though they are honest.

In connection with his thinking, Comrade Zhao Di also spoke on the relations between work and study, between succession and innovation, between human relationships and moral qualities, between major issues and trifles, between career and family, and so on.

Comrade Zhao Di also analysed the present situation in the province's leading groups at various levels in the work of building themselves. He pointed out: From now on, the principle for building the leading group is to basically maintain a stable situation, to gradually readjust and to perfect the structure, and to improve the quality.

Zhao Di said: Our focus is to do well in improving the quality, as well as strengthening the ideological building and work style of the leading groups. We should expend great efforts improving the leaders' political quality and professional skills. We must select and recruit cadres in accordance with the party's principles, and resolutely overcome and correct unhealthy tendencies concerning the selection and recruitment of cadres.

XIZANG'S WU JINGHUA ADDRESSES MINORITY ATHLETES

0W150438 Beijing XINHUA Domestic Service in Chinese 1158 GMT 14 Jul 86

[Excerpts] Lhasa, 14 Jul (XINHUA) -- A Tibetan sports team will soon leave Lhasa for a competition.

The summer sun is radiant in Lhasa, capital of Xizang; the scenery at Luobulinka in Lhasa's suburbs is particularly enchanting. This is where the athletes and coaches of the Tibetan team have gathered to train for participation in the Third National Traditional Minority Games. [passage omitted]

Before their departure for the competition, members of the team gave an exhibition of their sports' skills before leading comrades of the autonomous region on 6 July. Those watching the performance with great interest included Wu Jinghua, secretary of the autonomous regional party committee; Pagbalha Geleg Namgya, vice chairman of the CPPCC National Committee and vice chairman of the autonomous regional People's Congress Standing Committee; Redi and Dan Zeng, deputy secretaries of the autonomous regional party committee; and Gyibug Puncog Cedain and Tuddao Doje, vice chairmen of the autonomous regional people's government. [passage omitted]

The Tibetan team's horses were safely transported to Urumqi on 1 July, where a horse race will be held. [passage omitted]

Leading comrades of the autonomous region cordially received all members of the team. Wu Jinghua said: "The forthcoming national traditionally minority games will be a grand meeting, characterized by the great unity of all minority nationalities in our great motherland. It will be a great honor for Xizang's minority athletes to take part in such a grand sports meet." He encouraged the athletes by saying: "It is our desire to strive for good results, but this is secondary. What is more important is to learn from various fraternal nationalities' noble moral character and lofty spirit in loving and building the motherland and to learn from their advanced experiences in developing their traditional sports in order to contribute more to building a new, united prosperous, and cultured socialist Xizang."

YUNNAN ISSUES CIRCULAR ON INTELLECTUALS

HK141410 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 12 Jul 86

[Text] The organization, propaganda, and united front work departments of the provincial CPC Committee recently issued a circular to party organizations at all levels in the province on inspecting and accepting implementation of policies on intellectuals, urging all areas and units to grasp the implementation of policies on intellectuals and resolve properly all problems left over from history. The circular reaffirms the criteria for acceptance of implementation of policies on intellectuals:

1. By adopting the attitude of seeking truth from facts, we must correct all wrong and frameup cases against intellectuals during and before the Cultural Revolution. The conclusions of reexamiantion must be made known to the persons concerned.
2. We must reasonably place those intellectuals who could not bring into play their role in the past and resolve their problems, such as husbands and wives living in different places and changing the agriculture household registration of their family members to nonagricultural household registration.
3. It is necessary to retroactively pay intellectuals salaries that were wrongly deducted or withheld during the Cultural Revolution.
4. It is necessary to return to intellectuals all money and property confiscated during the Cultural Revolution.
5. It is necessary to return to and make compensation for all private houses forcibly occupied during the Cultural Revolution.
6. It is necessary to resolve the problems of discriminating against the wives and children of intellectuals who agree wrongly dealt with or who made mistakes or committed crime, in their education, employment, and join the party.
7. It is necesary to reexamine intellectuals who were wrongly dealt with since the 3d Plenum of the 11th CPC Central Committee, including in the struggle against economic and criminal activities.

The circular stresses that in the course of solving these problems, whether or not the persons concerned have complaints, the units concerned and public security, procuratorial, and court organs must reexamine and properly deal with their cases in accordance with the relevant regulations.

BEIJING SECRETARY SPEAKS AT PARTY COMMENDATION RALLY

SK121236 Beijing BEIJING RIBAO in Chinese 30 Jun 86 p 1

[Excerpts] The Beijing municipal rally to commend excellent Communist Party members and advanced party branches opened amid thunderous applause in the Great Hall of the People where flamed-red flags fluttered on 29 June. [passage omitted]

Chen Xitong, secretary of the municipal CPC Committee and mayor of the municipality, presided over the rally. Jin Jian, deputy secretary of the municipal CPC Committee, read the decision of the municipal CPC Committee on carrying out the activities of learning from excellent communist party members and advanced party branches. Li Ximing, secretary of the municipal CPC Committee, delivered a speech at the rally. Attending the rally were Duan Junyi, Standing Committee member of the Central Advisory Commission; Cao Zhi, deputy director of the Central Organizational Department; Wang Daming, deputy director of the Central Propaganda Department; and leading comrades of the municipal Discipline Inspection Commission, and municipal People's Congress, the municipal government, and the municipal CPPCC Committee, including Xu Weicheng, Ye Lin, Ye Zilong, Han Boping, and Bai Jiefu. [passage omitted]

In his speech, Li Ximing, secretary of the municipal CPC Committee, extended warm greetings and lofty respects to the representatives of excellent Communist Party members and advanced party branches that have been commended on behalf of the municipal CPC Committee. He said: Just like the 14 excellent party members, including Zhang Jieshi, and the 5 advanced party branches, including the party branch of the workshop of the steelworks of the Shoudu Iron and Steel Company, who were commended by the municipal CPC Committee in the preceding stage, the 113 excellent party members and 37 party branches to be commended this time are outstanding representatives of the excellent Communist Party members and advanced party branches throughout the municipality as well as advanced models with the spirit of the age.

In his speech, Li Ximing called on party members and party organizations at all levels throughout the municipality to pay attention to emulating the three spirits of the excellent party members and advanced party branches that have been commended.

First, we should emulate their spirit to keep forging ahead. Communist Party members should first possess the spirit to keep forging ahead to bring into play their exemplary vanguard role under the new situation; and simultaneously, the party branches should also possess this spirit to give play to the role as a fighting bastion. We should stand in the forefront of reform, dedicate ourselves to reform, support and protect reform, and strive to create a new situation in our work. Party members and party organizations at all levels throughout the municipality should get rid of old ideas such as sticking to conventions, not forging ahead, and attempting nothing and accomplishing nothing; enhance the sense of being urgent to conduct reform; be good at linking the party's line, principles, and policies with the actual conditions of their units; set the highest possible demands on themselves; be brave in doing pioneering work; diligently forge ahead; and strive to create first-class work.

Second, we should emulate their spirit of being selfless. Just as they have done, we should link the pursuance of communist ideals with solid and conscientious implementation of our work and combine the work of carrying out reform and blazing new trails with the job of honestly performing our duties so that we will certainly be loyal public servants in order to build the party and implement policies to serve the

interests of the people, really not be affected by unhealthy practices, money, and corrosive ideas; consciously resist wrong ideas such as putting money above everything else, practicing selfish departmentalism, and working according to payment; be brave in resolutely waging the struggle against various unhealthy practices and the activities in violation of the law and discipline; and take the lead in straightening out party style.

Third, we should emulate their spirit of making arduous efforts. We should eliminate bureaucratism and the idea of loving comfort and being lifeless, enhance revolutionary vigor, study hard in the course of reform and the four modernizations, arm ourselves with Marxist theory and modernest scientific knowledge, strive to scale new heights in a down-to-earth manner, and make efforts to become representatives of advanced productive forces.

Comrade Li Ximing pointed out: The year 1986 is the first year of the Seventh 5-Year Plan. The tasks ahead of us are glorious and arduous. Thus, the Communist Party members throughout the municipality should certainly enhance their revolutionary vigor, strive to make contributions to the party and the people, and unite and lead the people of the whole municipality to push forward the great cause of socialist modernization.

XING CHONGZHI ADDRESSES HEBEI RETIRED CADRES

SK160611 Shijiazhuang HEBEI RIBAO in Chinese 30 Jun 86 p 1

[Text] On the afternoon of 28 June, the provincial CPC Committee held a forum of retired veteran cadres who had retreated to the second or third line to solicit their opinions and suggestions on the construction of the party and the work undertaken by the party and the province.

Xing Chongzhi, secretary of the provincial CPC Committee, presided over the forum with the attendance of Xie Feng, deputy secretary of the provincial CPC Committee and governor of the province, and Lu Chuanzan, secretary general of the provincial CPC Committee.

On the eve of the 65th anniversary of the CPC's founding, comrades attending the forum happily got together to jointly review the brilliant history of our party, which has greatly developed and grown in strength, and to jointly discuss the grand plan for building the four modernizations.

At the forum, the participating comrades stated with an intimate knowledge of the party's work: Without the Communist Party there would be neither new China, nor construction of the four modernizations. They also put forward very favorable, constructive suggestions on the province's issue of how to enhance the building of the party and how to further consolidate and develop the results scored in the party rectification drive and on the province's work in the fields of industry, agriculture, finance, and culture.

In conclusion, Comrade Xing Chongzhi, on behalf of the provincial CPC Committee, delivered a speech in which he stated that the provincial CPC Committee will certainly live up to the expectations of the veteran party-member cadres and will resolutely make a success in the work during the Seventh 5-Year Plan period, which will certainly be better than that in the Sixth 5-Year period.

SUN WEIBEN AT HEILONGJIANG PLA DISTRICT CPC PLENUM

SK120404 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 11 Jul 86

[Text] When speaking at the 16th Plenary Session of the 5th CPC Committee of the provincial Military District, which ended on 11 July, Sun Weiben, secretary of the provincial CPC Committee and first secretary of the provincial Military District, pointed out: We should first attend to the self-construction of the troops, and should, if possible, transfer some human and material resources to directly develop economic construction.

Comrade Sun Weiben pointed out: That the Army should submit to the overall situation of the state is the comprehensive and general strategic ideology as well as a high-level principle for making policy decisions. Some units have lacked an understanding of the specific form of submitting the Army to the overall situation of the state, and have confined their work only to the form of directly training the armymen and providing materials. As a grass-roots unit, so long as it has conscientiously implemented the relevant principles and policies in their practical work, it has, in fact, submitted itself to the overall situation of the state.

To attain the general task of the party for the new stage, concerted efforts of all fronts are needed. Not only the comrades on the economic front are required to vigorously developed their work, but the comrades on the military front are also required to work hard in order to provide a tranquil environment for the smooth development of peaceful construction. Therefore, the Army should regard the fulfillment of their own tasks as the major way and form of submitting themselves to the overall situation of the state.

Those units which possess the conditions should vigorously organize forces to support the construction of the localities on the premise of not affecting the work of the troops. The People's Armed Forces departments should actively mobilize and organize the militiamen and reserve duty personnel to take the lead in building material and spiritual civilizations in order to engage in economic construction in a more direct manner.

GAO DI ADDRESSES JILIN ADVISORY COMMISSION PLENARY SESSION

SK150808 Changchun Jilin Provincial Service in Mandarin 0930 GMT 14 Jul 86

[Text] The first Jilin Provincial Advisory Commission held its sixth plenary session in Changchun City from 10 to 12 July. The session was aimed at relaying and implementing the spirit of the forum sponsored by the Central Advisory Commission with the forum sponsored by the Central Advisory Commission with the participation of chairmen of the advisory commissions of various provinces, municipalities, and autonomous regions.

Attending the session were Wang Daren, chairman of the provincial Advisory Commission; Zhang Shiying, vice chairman of the provincial Advisory Commission; as well as the Standing Committee members and members of the provincial Advisory Commission -- more than 60 persons in all. Eleven Standing Committee members and member of the provincial Advisory Commission, including Xiao Chun, vice chairman of the provincial Advisory Commission, were absent due to sickness or leave.

Comrades Wang Daren and Zhang Shiying presided over the plenary session.

At the session, the participating members relayed and studied the speeches given by Comrade Bo Yibo and Song Renqiong at the forum sponsored by the Central Advisory Commission with the participation of chairmen of the advisory commissions of various provinces, municipalities, and autonomous regions. They reviewed the work done by the provincial Advisory Commission in the past and made the following work arrangements for the latter half this year in line with the three expectations raised by Comrade Bo Yibo in his speech and by bearing in mind the actual situation in the province:

1. A good job should be done in being the advisers and assistants of the provincial CPC Committee and in actively supporting the work arranged by the provincial CPC Committee. This is the unshirkable responsibility of veteran comrades. In the future they pledged to strive to take more action in delving into reality to learn the opinions of the masses and the situation in society. They pledged to often keep the provincial CPC Committee informed of the situation and to put forward their opinions and suggestions. Efforts should be made to fully trust and respect the provincial CPC Committee and to pay attention to preventing interference from cropping up in work.
2. Efforts should be made to enhance study; to master the ways of applying the stand, viewpoint, and method of Marxism in looking into or analyzing issues, correctly appraising the situation, and in accurately keeping the provincial CPC Committee informed of the situation; and to earnestly study the important documents issued during the period since the 3d Plenary Session of the 11th CPC Central Committee and the speeches given by the principal leading comrades of the central authorities in order to consciously act in unison politically with the central authorities.
3. A good job should be done in making living arrangements for the members of the provincial Advisory Commission and showing concern over work of dealing with the affairs of retired cadres and of the cadres on convalescence leave.

Prior to the conclusion of the session, Comrades Wang Daren and Zhang Shiying delivered speeches.

Comrade Gao Di, secretary of the provincial CPC Committee, attended the session and delivered a speech in which he fully acknowledged the work done by the provincial Advisory Commission. In his speech he stated: The provincial Advisory Commission has actively done a great deal of investigation and study work in the previous period and put forward large number of good and most favorable suggestions that have played a role in helping or supporting the work undertaken by the new leading body of the provincial CPC Committee. In his speech he also analyzed the situation in industrial and agricultural production throughout the province and the problems cropping up in production, and put forward a preliminary plan for further making a success in the province's economy and for a strategy of social development. He urged the provincial Advisory Commission to continuously play its role in making a success of various fields throughout the province.

DUAN JUNYI, GAO DI AT JILIN RIBBON-CUTTING RALLY

SK160231 Changchun Jilin Provincial Service in Mandarin 0930 GMT 15 Jul 86

[Summary from poor reception] "Today marks the 30th anniversary of the founding of the Changchun No. 1 Vehicle Plant. The Jiefang CA 141-model light car, the second generation of the Jiefang-model car of our country, will be put into small batch production beginning on 15 July." A ribbon-cutting ceremony is going to be held at the general assembly workshop of the plant on the trial production of the Jiafang CA 141-model light car.

At 0840 on 15 July, (Liu Yutang), secretary of the CPC Committee of the Changchun No 1 Vehicle Plant, declared the ceremony open. Present at the ceremony were Duan Junyi, Standing Committee member of the Central Advisory Commission; He Guangyuan, vice minister of machine-building industry; Gan Zhijian, vice minister of the State Planning Commission; Gao Di, secretary of the Jilin Provincial CPC Committee; Gao Dezan, governor of Jilin Province; Liu Jingzhi, chairman of the Jilin Provincial CPPCC Committee; Huo Mingguang, vice chairman of the Jilin Provincial People's Congress Standing Committee; Liu Shulin, vice governor of Jilin Province; Wu Yixia, secretary of the Changchun City CPC Committee; Wang Jiatong, mayor of Changchun City; and (Shi Mingwu), vice chairman of the Changchun City People's Congress Standing Committee. Also attending the ceremony were former leading comrades of the Ministry of Machine Building Industry; leading comrades of some state organs; and more than 50 comrades who had held the leading posts of the Changchun No 1 Vehicle Plant.

GAO DI ATTENDS JILIN FAMILY PLANNING CONFERENCE

SK170606 Changchun Jilin Provincial Service in Mandarin 0930 GMT 16 Jul 86

[Text] The provincial family planning work conference which ended today stressed: We must never ignore family planning work and should firmly grasp it. In the future, our province should continue to advocate the one-couple, one-child policy and to strictly control the excessively rapid increase of population.

Gao Di, secretary of the provincial CPC Committee; and Gao Dezan, governor of the province, made speeches at the conference. Gao Wen, vice governor of the province, presided over the conference.

Population growth will enter the peak period in the next 10 years. The province will have 260,000 newly married couples annually during the Seventh 5-Year Plan period. Thus, the task for birth control is extremely difficult.

The conference called on the party committees and the governments at all levels to further enhance the idea that it is necessary to control the population, to place the family planning work as an extremely important work and on the course of spiritual civilization, to make unremitting efforts to firmly attend to the work, to pay attention to the elimination of the idea that it does not matter to have more children under the situation in which the people are getting richer and richer along with economic development, and to educate the vast number of cadres and the people to gradually eliminate the traditional idea of childbirth. The departments should closely work together with each other and vigorously support the family planning work.

The family planning work departments at all levels should strengthen the propaganda and education on family planning work among the grass-roots areas, achieve the service work, comprehensively upgrade the level of family planning work, and strive to fulfill the tasks for population control during the Seventh 5-Year Plan period.

The conference also further perfected and readjusted the policies on birth control in the rural areas.

LIAONING'S QUAN SHUREN RECEIVES DPRK DELEGATION

SK070520 [Editorial Report] Shenyang Liaoning Provincial Service in Mandarin at 2100 GMT on 6 July carries a 1.5-minute report on the arrival of the North Pyongyang provincial friendship delegation of the DPRK in Shenyang City by train via Dandong City on 6 July. "That evening, Quan Shuren, secretary of the provincial CPC Committee and governor of the province, gave a banquet in honor of the Korean guests." During their stay in the province, the delegation will participate in the celebrations for the fifth anniversary of the signing of agreements between the two provinces on production.

LIAONING OFFICIAL ON STRAIGHTENING OUT PARTY STYLE

SK110353 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 9 Jul 86

[Text] At a meeting to exchange experiences in straightening out party style held in a (? zinc) plant of Huludao on the morning of 8 July, Gao Zi, secretary of the provincial Discipline Inspection Commission, made a speech on the issues concerning whether or not unhealthy practices are brought about by reform and whether or not the development of reform can be hampered by the straightening out of unhealthy practices.

He said: Straightening out party style is in keeping with reform. It is theoretically wrong that we separate, and even isolate, the improvement of party style from reform. Such practices will get us nowhere.

Gao Zi said: Some people attributed the unhealthy practices existing in society to reform at the preceding stage. Recently, another group of people also spread such slanderous rumors that the development of reform had been hampered by the work of straightening out unhealthy practices. Therefore, some comrades with misgivings have lost enthusiasm for doing their work. We should absolutely get rid of such ideas. Reform is a matter relating to the readjustment of a series of key links, such as political, ideological, educational and superstructural systems, as well as a matter to accelerate the elimination of the rigid economic structure which hampers the development of productive forces. Thus, we will certainly meet obstacles and obstructions in all fields in the course of reform. Our purposes for straightening out party style and unhealthy practices and to get rid of obstacles and obstructions for reform and to create fine social and political environments.

Gao Zi emphatically pointed out: Cadres of the discipline inspection enthusiastically support and protect reform, and proceed from the thinking of serving reform to explore new paths for straightening out party style.

Gao Zi called on personnel in charge of the discipline inspection work to unwaveringly support reform and protect the enthusiasm of reformers on one hand, and to persistently grasp party style and protect the enthusiasm of the comrades in charge of grasping party style on the other. Only by doing so can we ensure that good party style, reform, and the work of opening to the outside world and enlivening the domestic economy will develop along a correct direction.

LIAONING HOLDS PARTY RECTIFICATION CONFERENCE

SK121251 Shenyang LIAONING RIBAO in Chinese 27 Jun 86 p 1

[Text] From 16 to 23 June, the Liaoning Provincial CPC Committee held a conference on party rectification. Attending the conference were deputy secretaries of various city CPC committees who are in charge of party rectification work; secretaries of various county and district CPC committees; directors of various city, county, and district offices in charge of party rectification; and responsible comrades of departments concerned at the provincial level.

The major discussion topic of this conference was to relay and implement the guidelines of the forum on party rectification with the participation of secretaries of CPC committees of the 11 provinces and municipalities in north China, northeast China, and northwest China; and to sum up and arrange for the rural grassroots-level party rectification and for the work of consolidating and developing the achievements scored by the units at or above the county level in party rectification.

At the conference, Comrades Xu Shaofu and Chen Suzhi respectively delivered reports on further attending to rural party rectification and on consolidating and developing achievements in party rectification.

The conference maintained that great achievements have been scored in the province's rural party rectification. Thanks to party rectification, we have further strengthened the building of leading bodies, and enhanced the fighting capacity of party organizations; have further stepped up party spirit, and straightened out party style; and have further corrected the ideology guiding rural work, and effectively promoted the in-depth development of reform and economy. At the same time, the political competence and awareness in communism of the vast number of party members have been obviously improved, and their vanguard and exemplary role has been strengthened. In addition, our organizations have been purified, and the building of party organizations has been intensified. The town and township party rectification has been carried out in line with definite guiding ideology, with prominence to major aspects. Thanks to the town and township party rectification, problems of some localities and units have been solved in a relatively thorough manner. The conference also maintained that considerably more towns and townships have set low standards for their party rectification, and have failed to thoroughly solve the problems of their leading bodies, particularly the evil trend of abusing one's powers to extort personal favors. A few units have carried out party rectification in a poor manner, have failed to learn their problems and grasp the major aspects, and have yielded poor results in party rectification. Some units have carried out party rectification in a superficial manner.

Comrade Sun Qi delivered a summing-up speech. He said: To achieve greater success in party rectification and in correcting party style, we must make an objective and realistic estimation of the current situation. In the party rectification of the past 2 years, our province has successfully accomplished the tasks of unifying the thinkings and purifying organizations. However, some problems still exist in the fields of rectifying work style and enforcing discipline. In taking stock of party style, our judgment should be based on two fields, one is the party line, policies and the inner-party political life, and the other is party organizations, and the work style of party members and cadres. It is wrong to regard all contradictions in society and within the party as a problem in party style, and as evil trends. In particular, in the process of reform, many new situations and problems will certainly emerge. We should solve the problems which have emerged. With regard to the guiding ideology that party rectification should ensure and promote reform and economic development, Comrade Sun Qi said: In carrying out party rectification over the past 2 years, we have conscientiously implemented this guiding ideology. At present, along with the deepening of reform, various kinds of new problems and complicated contradictions have emerged in practice. Leading comrades at all levels should conscientiously study and profoundly comprehend the far-reaching significance of the demand of the central authorities on simultaneously grasping the "two civilizations," and should not pay more attention to one than to the other. Comrade Sun Qi stressed in conclusion that we should actually strengthen the leadership over party rectification. He said: Experience gained in party rectification over the past 2 years shows that where the leadership is effective, party rectification can be carried out successfully, and the key to achieving success in party rectification lies in the efforts of top leaders. At present, we should overcome impatience and laxity, and should adhere to conducting party rectification by high standards and correcting party style.

GANSU PARTY SECRETARY VISITS FACTORY FIRE SITE

HK151532 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 14 Jul

[Text] Yesterday morning, Comrade Li Ziqi and other provincial and Lanzhou city leaders went to Lanzhou's (Changjing) electrical machinery plant to visit the site of a fire and look into its cause. They also expressed hope that cadres and workers of the plant would enhance their vigor to rebuild the plant and resume production as soon as possible.

A large fire occurred in the (Changjing) electrical machinery plant on the morning of 12 July. The fire destroyed the main workshops and products of the plant. Yesterday morning, in front of the damaged electrical machines for export, provincial CPC Committee Secretary Li Ziqi said: The products that can be repaired must be repaired so as to minimize the loss. While analyzing the cause of the fire, Li Ziqi said that this fire has exposed poor business management of our enterprises and our weakness in fire prevention. He expressed the hope that other enterprises would draw a lesson from the case and examine their fire prevention work to ensure accident-free production.

Vice Governor Zhang Wule inquired about the plant's plan for resuming production. He pointed out that after resuming production, the plant must produce better products to protect the market and reputation of the plant. He told the responsible comrades of Lanzhou city and the provincial Economics Commission on the scene that provincial-level enterprises and Lanzhou city must do their utmost to help the plant repair equipment and provide places, so that the (Changjing) electrical machinery plant can resume production and make up its losses as soon as possible.

SHAANXI LEADERS DISCUSS COALFIELD DEVELOPMENT

HK170247 Xian Shaanxi Provincial Service in Mandarin 0100 GMT 17 Jul 86

[Text] According to SHAANXI RIBAO, on 15 July the provincial government summoned responsible comrades of its subordinate organs and other units concerned to study the exploitation of the Shenfu coalfield. Provincial CPC Committee Secretary Bai Jinian demanded that all sectors of the province support this work and spur economic development in northern Shaanxi. Governor Li Qingwei and Vice Governors Zhang Bin and (Zhang Guoxing) spoke on how to develop the coalfield as soon as possible.

The provincial government has set up a preparatory group for exploiting the coalfield, headed by Vice Governor (Zhang Guoxing), to organize preparatory work in various departments.

SHAANXI COMMENTATOR ON SLANDER AGAINST REFORMERS

HK140219 Xian SHAANXI RIBAO in Chinese 23 Jun 86 p 1

[Commentator's article: "The Heart That Reformers Should Have"]

[Text] An old saying says: "Achievements are likely to bring slanders in their wake." This saying is now more convincing following news reports published recently in newspapers that some reformers are in a sorry plight after they were falsely accused by anonymous letters.

Who trumps up charges against reformers by means of anonymous letters? It is believed that those who dare not reveal their names are certainly not fair and square. According to a fact-finding survey, people like them are mostly steeped in the ideology of individualism in the reform. Some of them nurse a grievance because they are not promoted, or because they are not promoted to certain positions that they expect; some are discontented because their selfish desires are not fed or because they are criticized for their mistakes. Therefore, once there is a chance, these people immediately seized the opportunity to capitalize on the vulnerable points of reforms and injure them by underhand means.

If leaders are enlightened, they certainly hate these false charges and take good care of and safeguard reformers. If leaders stick to old ways and are jealous of worthy persons and too particular about trifles, they certainly chime in easily with those who lodge false accusations through anonymous letters, and get reformers into deep trouble.

At present false charges are real obstacles to the reform and are the most vicious obstacles. Under certain circumstances, reformers may be hurt by one or two anonymous letters as if they have been hit by arrows shot from hiding, and lost their posts, and the reform in the units where they work may come to a stop. Sometimes, one or two anonymous letters may result in brave reformers being beset with rumors and slanders, chill their enthusiasm, and cause them to be at a loss what to do. Consequently, the practice of "eating from the same big pot" may be resurrected, enterprises may suffer setbacks and heavy losses, but those who lodge false accusations will be complacent.

To push forward the reform, all trumped-up cases should be seriously investigated and dealt with. Ma Shengli, a well-known reformer of the country and director of the Shijiazhuang City paper mill, was terribly disturbed by anonymous letters and letters of false accusation, not long after he scored certain success in the reform. Thanks to the firm support given to him by the central departments concerned, and the CPC Committee and people's government of Shijiazhuang City, the whole truth came out, through repeated investigation, that it was Liu Guangyi, secretary of the mill's general party branch, who had trumped up a charge against him. Liu was immediately relieved of his post for self-examination. This has encouraged Ma Shengli to have more courage to carry out reforms.

Frame-ups are handled by party organizations, but reformers should be aware that to achieve something, they should prepare themselves against attacks, suspicion, jealousy, opposition, ironical remarks and sarcastic comments. "Sturdy grass withstands strong winds." Well-known reformers in history were all tried by adversity. As long as we adhere to the party's policies, refrain from abusing power for personal gain and violating the law and discipline, pay attention to bureaucratic practices, and work for the people without selfish desires, we can certainly stand firm. When we find out shortcomings and commit mistakes, we must conscientiously make self-criticism and correct them. While resolutely carrying out correct instructions by the higher authorities, we must take the initiative in listening to criticism and suggestions from the masses of people. Even if their criticism is not correct, we must take the attitude of "correct mistakes if you have committed them, and guard against them if you have not." We set slanders with ulterior motives at naught and should not be vexed by them, nor should we be disheartened, because we are reformers and not cowards. We must be strong-willed, stand on a higher plane, and take purely fictitious slanders as a force pushing us forward. This is the broad-mindedness that reforms should have.

'WAR' INDUSTRY BASE, SHAANXI ENTERPRISES COOPERATE

HK120546 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 11 Jul 86

[Text] After smashing barriers between different departments or regions, base 067 of the Ministry of Astronautics has developed lateral economic and technological ties with many local enterprises so that advanced technology of war industry can be used for the development of the national economy.

Base 067 has a large number of senior and middle-grade scientists and technical personnel and possesses relatively modern technology and equipment. The base was completely cut off from the outside world for a long time in the past because of the system of separating departmental management from regional management. In the course of switching to civilian production while maintaining military needs, the base removed barriers existing between different departments or regions and made efforts to develop lateral economic cooperation with some cities of our province and some enterprises of other provinces. More than half of the 35 contracts, which the base concluded with local enterprises for technology transmit, consultancy service and production cooperation, have been executed. Aside from this, it has also established cooperation with the Shaanxi motor car plant and the Xian boiler factory. With the development of lateral economic cooperation with local enterprises, scientists and technical personnel working at the base can now display their abilities and talents, and all research units and workshops of the base are now full of vigor and vitality. Comrades of the department in charge of civilian production of the base told this reporter that the income earned from the projects jointly run by the base and local enterprises as well as the output value of civilian products this year are estimated to top 20 million yuan, registering a 100 percent increase over last year.

SONG HANLIANG, OTHERS ATTEND URUMQI LAW COURSE

HK151326 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 14 Jul 86

[Text] A study course in legal knowledge held for leading comrades of the region by the general office of the regional CPC Committee opened in Urumqi yesterday afternoon. This shows that leading comrades of the region have taken the lead in studying legal knowledge and in strengthening the building of the legal system. Attending the study course are leading comrades of the regional CPC Committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, People's Government, CPPCC Committee, and Production and Construction Corps, including Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Amudong Niyazi, and Zhang Sixue; and responsible persons of the Public Security Department, procuratorate, and court. Like students in school, they have listened with rapt attention and carefully taken notes.

The first lesson yesterday was given by (Zhang Li), secretary of the Xinjiang Political and Legal Administrative Cadre College CPC Committee. He discussed grasping construction in one hand and the legal system in the other. (Qin Guozheng), secretary of the Judicial Department party group and deputy department director, introduced the situation in popularizing legal knowledge throughout the region. Feng Dazhen, regional CPC Committee Standing Committee member and Propaganda Department director, discussed the arrangements for the study course. From now to the middle of December, this course will have a lesson each week. Experts, scholars, and leading comrades of the regional judicial department and colleges will be invited to lecture on the legal knowledge of 12 branches of law, including the constitution, law of regional autonomy of minority nationalities, criminal law, civil law, and marriage law to introduce the principles, guiding ideology, and [words indistinct] of the administration of public security, trial work, lawyers, and notarial work.

PROBLEMS, CHANGES FOR TAIWAN'S DIPLOMATIC POLICY

HK111337 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 27, 7 Jul 86 p 22

[Article by Wang Peiyu: "A Glimpse of Taiwan's 'Diplomatic' Policy"]

[Excerpts] In early June, Interpol's 82d executive committee meeting unanimously adopted a resolution that: In view of the situation in which the Taiwan authorities refused to take part in Interpol activities under the name of the Police Organization of the Region "Taiwan, China," it has been decided that the secretary general and all members of Interpol should execute the resolution of the 53d plenary session of the organization, and stop Taiwan's police organization from taking part in any of the organization's business and activities. This is the second severe setback concerning international organizations experienced so far this year by the Taiwan authorities.

Before this, the Asia Development Bank, after admitting the PRC as a member, asked Taiwan to stay in the organization under the name of "Taipei, China." But the Taiwan authorities dealt with this by taking an attitude of "not changing the name, not withdrawing from the organization, and not participating in the activities." The authorities thus caught themselves in a dilemma.

It is just as Yu Kuo-kwa, Taiwan's "Executive Yuan premier," said on this year's international situation, "we are still in an ever-changing and difficult environment."

The status of Taiwan in the international community has continued to drop since the 1970's. At the beginning, the PRC was restored its legitimate seat at the United Nations. Then, China and the United States established diplomatic relations. At present, an absolute majority of the world's countries (134 in number) have established diplomatic relations with the PRC Government, and acknowledge that the PRC Government is the only legitimate government representing China, while Taiwan is part of China. [passage omitted]

In order to overcome its difficult situation in the international community, Taiwan has begun "changing" its "diplomatic policy." At a press conference, Fredrick F. Chien, "representative to the United States of the coordination committee for North American affairs," stated that Taiwan "should focus its future security consideration on the Soviet Union." It is widely known that Taiwan has long claimed that Mainland China poses a great threat to the security of Taiwan. But the "new point of view" proposed by Fredrick F. Chien is the first "change" to take place on a formal occasion.

This "new point of view" has attracted general attention among international circles. Public opinion in the West holds that over a long period in the past, people living on and outside of Taiwan island were generally dissatisfied with the ossified "diplomatic" policy of the KMT authorities. Proposal of this "new point of view" may pacify Taiwan's people and change the "government's image of being ossified," as well as possibly winning more support from people living overseas.

In order to change its impression upon the European and American countries, Taiwan began its so called "substantial diplomatic" offensive. It sent more than 10 teams to the United States for "tactical procurement," each of which brought a turnover value of some \$1 billion. It also sent several teams to Europe for large-scale procurement. The aim of this move was to reduce Taiwan's favorable trade balance with this region and to give them a good impression of Taiwan. People called this kind of diplomacy "money diplomacy" [passage omitted]

However, acting on behalf of the "government," "Executive Yuan premier" Yu Kuo-hwa repeatedly stressed the principle of "the four unchanges," that is, we shall by no means change the "state system" formulated by the Constitution of "Republic of China," or the general goal of "Republic of China" to fight communism and restore the country, and so on.

International public opinion pointed out that the Taiwan authorities now face a more difficult situation in terms of "diplomatic" relations. If they do not face the reality about China and the international community, they will be unable to change their situation of being isolated in the international community.

OFFICIAL REFUSES TO DISCUSS TAIWANESE SPY REPORT

HK151408 Hong Kong AFP in English 1404 GMT 15 Jul 86

[Text] Beijing, July 15 (AFP) -- Chinese authorities refused to discuss a Hong Kong newspaper report Tuesday that a Taiwan spy thought to have died in 1975 was in fact living in the south of China.

"This is not your business," the spokesman for the Public Security Ministry told AGENCE FRANCE-PRESSE by telephone when asked about the report.

(A pro-Beijing newspaper in Hong Kong, WEN WEI PO, said that the spy, Zhu Tong-lang, was thought to have been captured and killed by Chinese authorities in 1975. In fact, the newspaper said, he is living happily in the southern province of Jiangxi.

(Zhu Tong-lang was sent to China on a spying mission in 1961 and was arrested by the authorities 11 years later, WEN WEI PO said. He was later released and given a job in the forestry bureau of Shanyou county, Jiangxi Province where his parents were staying, it added. Mr Zhu married a local girl 20 years his junior in 1980 and fathered a boy and a girl, the newspaper said.)

KMT URGED TO PURSUE COOPERATION WITH CPC

OW110011 Beijing in Mandarin to Taiwan 0130 GMT 9 Jul 86

["Forum on State Affairs" program hosted by Liu Wei]

[Excerpts] Dear listeners, the 60th anniversary of the Northern Expedition falls on 9 July this year. Sixty years ago, the Kuomintang [KMT] and the CPC collaborated with each other, fought our enemies, and shed blood together, filling glorious pages in the Chinese revolutionary history. The historical significance of the Northern Expedition should be remembered forever. [passage omitted]

While commemorating the 60th anniversary of the Northern Expedition, we cannot but think of the incomplete unification of our motherland, for Taiwan and the mainland are still separated. This is a product of long-term turmoil from within and externally throughout Chinese history, and a result of interference by foreign powers. It is against the will of all the Chinese people, including the people in Taiwan. The separation has inflicted great losses upon our country, nation, and people. [passage omitted]

As you all know, the CPC and the government of the motherland have successfully solved the Hong Kong issue according to the scientific idea of "one nation, two systems."

The Taiwan issue, different from the Hong Kong issue by nature, is not a matter of regaining sovereignty, but a matter of peaceful reunification of the motherland concerning China's internal affairs. However, it can be solved according to the ideas of "one nation, two systems." Moreover, the conditions can be more flexible. I think this policy of the CPC and the government of the motherland for a peaceful reunification has given priority to the interests of the nation, and also absolutely conforms to the interests of the Taiwan people and those of the Taiwan authority.

Dear listeners, "unification leads to stability while separation leads to danger" is a conclusion made by history. The Chinese people have long suffered from internal disputes and fighting. Shall we continue the state of separation between Taiwan and its motherland, or shall we end this as soon as possible in order to fulfill the reunification of the motherland? I think it is not difficult for anyone who is patriotic to make a rational and correct decision. [passage omitted]

Dear listeners, another inspiration derived from the revolutionary course of the Northern Expedition is that the fate of our nation heavily depends on the relationship between the KMT and the CPC. As you all know, the first round of cooperation between the KMT and the CPC brought about victory in the Northern Expedition, which made the KMT the nation's party in power. The second round of cooperation between the KMT and the CPC resulted in the victory of the anti-Japanese war, which swept away China's insulting history of having lost every war over a period of 100 years. The KMT regained its prestige from that as well. The cooperation between The KMT and the CPC on these two occasions not only conformed to the basic interests of the country and the people but also was favorable to both the KMT and the CPC. History has proven that coooperation between the KMT and the CPC is a greate blessing to our nation and people.

Some people in the KMT said that the KMT suffered losses from those periods of cooperation. This is absolutely contrary to the historical facts. In fact, the KMT suffered no losses but obtained a lot of benefits from them. It has suffered losses only from pursuing anti-communism. What has the KMT gained from its anti-communist posture in these decades? It hurts not only the nation but itself. [passage omitted]

Today, to unify the motherland and invigorate China is also a historical trend. Then why can't the KMT and the CPC once more cooperate with each other in order to accomplish the great cause of the motherland's reunification and to promote China's prosperity?

TEXTILE INDUSTRY URGED TO UPGRADE, DIVERSIFY

0W170349 Taipei CNA in English 0255 GMT 17 Jul 86

[Text] Taipei, July 16 (CNA) -- Economics Minister Lee Ta-hai said Tuesday that this nation's exports of textile products to the U.S. have been frozen by the U.S. government at last year's levels, and urge the textile industries to upgrade the level of their products and diversify their markets to weather the difficult situation.

Lee told reporters that the nation's textile industries will sooner or later face freezes on quotas of textile products exported to the U.S., the most important market for ROC textile manufacturers.

To alleviate the impact of the quota freeze, Lee urged that the textile industries here should develop value-added products and promote sales in markets other than the U.S.

Lee's warning remark followed a foreign wire service report which said the ROC has reached an agreement with the United States in the third round of textile talks in Geneva. The report said the new agreement will allow the ROC's textile exports to the U.S. between 1986 and 1988 to grow by only 0.5 percent based on the 1985 level.

But the U.S. side estimated that the shipments of ROC textiles to the U.S. market this year will be cut by about seven percent as a result of other import restrictions.

Vice Economics Minister Wang Chien-hsien also called on domestic textile producers to further improve their design ability, manufacturing technology, and marketing system to take on various challenges.

BRIEFS

JOINT JAPANESE SOFTWARE ACCORD -- Taipei, 12 Jul (CNA) -- The Taipei-based Prosperity Information and Computer Industry Inc. [Prosinfo] signed a joint-venture agreement with the well-known Japanese computer software group Kyodo Computer Co. Saturday. Under the agreement, Kyodo Computer will invest NT \$8.8 million to acquire 40 percent of Prosinfo's stakes. The Japanese company will also transfer the most advanced expertise in developing application and system software packages to its Chinese partner. The Prosinfo-Kyodo agreement followed a similar cooperative pact between the ROC's Institute of Information Industry [III] and the U.S. - based Sun Micro Systems signed earlier this week. Ko Chih-shen, director of the III's Product Development Division, said that local software technology has reached a sophisticated stage. But local software industry has been hampered by a lack of comprehensive sales networks. Ko said that both III and Prosinfo expect to launch into overseas markets by entering into cooperation with Sun Micro and Kyodo Computer, both of whom are leading software developing companies in the world [Text] [Taipei CNA in English 1408 GMT 12 Jul 86 0W]

DAYA BAY SYMPTOM OF DEEPER SCHISM AMONG LEADERSHIP

HK150851 Hong Kong SOUTH CHINA MORNING POST in English 15 Jul 86 p 8

[Editorial: "Chinese Puzzle in Top-Level Arguments"]

[Text] The fall-out from China's nuclear energy program has already claimed a casualty, before the first concrete of the Daya Bay project has been poured. The victim is the facade of unity which Beijing tries to present to the world.

Daya Bay and the other nuclear plants which China is planning -- one near Beijing and the other in Qinshan, near Shanghai -- have emerged as key issues in what is ostensibly competition among third-tier leaders vying for top posts which should become available in the next year or two. The mammoth Three Gorges hydroelectric project, which will straddle the boundary of Sichuan and Hubei provinces in the middle reaches of the Yangtse, has also become involved.

The technocrats and others backing these new energy projects see them as crucial both to China's modernisation program and, of course, to their own advancement. Those senior officials who wonder where all this modernisation is leading say the nation already has adequate traditional energy resources.

The debate thus has a wider focus than is first apparent. It is not simply a matter of clashing personalities and ambitions, but one which could determine the course which China is to take and which could have repercussions for overseas interests committed to an investment role in the country's modernisation drive. The real fate of Mr Deng Xiaoping's reforms will be determined by the generation of party leaders who will take over after Premier Zhao Ziyang and the party's General Secretary, Mr Hu Yaobang. The arguments surfacing over Daya Bay indicate there is fundamental disagreement on the ultimate direction those reforms will take.

Mr Li Peng and Mr Tian Jiyun are the principal protagonists clashing in the field of energy. Both have their sights on the prime ministership, which will become vacant when Mr Zhao becomes President, probably at the party's next congress, in September next year.

While Mr Li and Mr Tian both subscribe to the basic philosophies which underpin the Chinese bureaucracy, their differences of approach represent either end of the official political spectrum. Their rivalry typifies the schism which is emerging within the leadership. Mr Li is generally regarded as belonging to the old guard. His revolutionary credentials are traceable to his father, who was killed by the Kuomintang. He was then adopted by the much-revered Zhou Enlai. Mr Tian, on the other hand, is typical of the new breed of bureaucrats, coming from Sichuan and indebted to Mr Zhao Ziyang for his rise to the central leadership. Both men joined the Politburo last September.

Other young leaders are also aiming for the top, notably Mr Hu Qili, a protege of Mr Hu Yaobang; and Mr Qiao Shi, who seems to represent a conservative wing of the reform group and has been in charge of the anti-corruption drive launched this year. Their connections or relationships with Mr Li or Mr Tian, if indeed there are any, are obscure.

The old guard are bonded by experiences through the turmoils of more than four decades of struggle. They have held virtually unchallenged power ever since the People's Republic was founded. Even though they have different views of the way the country they have helped build should be run, their sense of comradeship largely transcends differences of policy.

The new, ambitious leaders who are eager for more power are different. Often from the provinces and enjoying their first taste of life at the centre, they are not trammelled with allegiances formed long ago, under conditions far different from those which prevail today.

There are other signs of disarray, for instance the contradictory statements recently by Mr Hu Yaobang and Mr Zhao Ziyang over the prospects for changes at the top. Mr Hu indicated in Europe last month that several top leaders might step aside next year to make way for younger officials. Mr Zhao soon afterwards said there would be little change in the party leadership at the next national congress. There have also been somewhat contradictory statements about the drive against economic crimes, which increasingly appears to be aimed at people who have been deeply involved in the modernisation drive.

All this seems to point to considerable confusion at the top levels about the direction the modernisation drive is meant to be taking. The leadership seems to have pinned its hopes on this push for progress, and yet there is clear evidence that many urban reform programs, which only a year ago were a dominant topic, have come to a halt. Even rural reforms, once seen as the hallmark of the achievements of Mr Zhao and his senior deputy, Mr Wan Li, are beginning to be questioned.

Repeated claims that the modernisation clock has not been turned back may perhaps be doubted, and foreign investors would be well advised to think carefully before committing themselves fully.

Overall, there is more than a suspicion that the leadership is not as decisive as it once was, that there is an air of uncertainty in the top echelons. Is Mr Deng, 82 this year, losing his grip? Most China observers say not, but it would seem time for him to exercise his authority and display the resoluteness which launched China on its rocky voyage into the modern world.

PRC GOLD SHIPMENTS TO HONG KONG REPORTEDLY CEASE

HK160451 Hong Kong HONG KONG STANDARD in English 16 Jul 86 p 3

[Text] China's massive gold shipments into Hong Kong came to a sudden halt in May after more than \$850 million had been brought in during the first four months of this year.

Trade figures for May released by the Census and Statistics Department yesterday showed no imports of gold bullion or bars from China, though reexports to China for the month were valued at \$1.45 million.

In March and April China unloaded \$157.81 million and \$692.59 million -- totalling more than 10 tons. The total gold imports for the whole of 1985 was only \$2.21 million.

As the SUNDAY STANDARD reported last week, the 375-fold increase on last year in China's export gold bullion to the territory has startled and puzzled local dealers.

LI PENG'S WIFE HEADS DAYA BAY'S BEIJING OFFICE

HK150856 Hong Kong HONG KONG STANDARD in English 15 Jul 86 p 3

[By David Wong and To Yiu-ming]

[Text] China has appointed the wife of Vice-Premier, Mr Li Peng, to head the Beijing office of the Guangdong Nuclear Power Plant.

This fact emerged yesterday as Chinese sources ruled out any conflict between Mr Li and another vice-Premier, Mr Tian Jiyun, over the Daya Bay plant issue in vying for the premiership. Mr Li has been known as a strong advocate for the controversial nuclear plant, but it is not common knowledge that his wife is also working on the project.

His wife, Mrs Zhu Lin, graduated from an institute of foreign languages in Harbin in 1955 and now heads the Beijing office of the Guangdong Nuclear Power Plant, sources in Beijing told the STANDARD.

The office is understood to serve chiefly as a link between the Guangdong project and Beijing. But Chinese officials were tightlipped about the nature of her job when questioned.

She and Mr Li were married in 1958.

The disclosure about Mr Li's wife further fuelled speculation that the vice-premier had personal reasons for supporting the project.

But local leftwing sources pointed out that the political career of Vice-Premier Li Peng would not hinge on the Daya Bay plant issue or the Three Gorges project, although he is noted for his strong support of these two controversial projects.

There is much opposition to the Three Gorges project which is a series of three dams across the Yangtze River to produce electricity. Opposition objects to their placement, because of the resultant flooding of the countryside that will take place.

It was a Hong Kong Chinese newspaper that first broke the news that serious differences had erupted among China's top leadership over the Daya Bay nuclear plant issue, with two vice-premiers opposing each other.

A report carried by The HONG KONG DAILY NEWS on Sunday, quoting sources from Beijing, said that vice-premiers Mr Li and Mr Tian held opposing views on whether the plant should be constructed at Daya Bay.

Mr Li, a noted technocrat, was said to be fully in favour of building the plant whereas Mr Tian was said to be firmly opposed to the plant.

Both Mr Li and Mr Tian are strong contenders for the premiership as Mr Zhao Ziyang is expected to relinquish the post within two years.

However, Chinese sources said that they had reservations about the truth of the report, as it was inappropriate to "personalise" the Daya Bay issue with Mr Li or Mr Tian.

"It is very natural for leaders to have different opinions on a public issue, and the Daya Bay plant is no exception. Different views can be constructive and are essential for policy formulation.

"But it seems doubtful anyone would attempt to exploit this issue for political gain when running for the premiership," a Chinese source said.

After taking into consideration the political sensitivity of the plant issue and its significance in China's energy policy, the source said, any decision about its fate must be decided by the highest decision-making body -- the Politburo or its Standing Committee.

"It's not a matter of personal likes or dislikes, but an issue of national interest which has to be decided by collective leadership", the source said.

Another source said that whether China should go ahead with the plan will be thoroughly examined by the State Council, which will hold collective responsibility for it.

"It is not a matter for a Vice-Premier or even the Premier to decide at their discretion," he said.

It is understood that divergent views over the Daya Bay plant are prevailing among the Chinese People's Political Consultative Conference (CPPCC).

A Chinese source pointed out some members of the CPPCC expressed reservations about the Daya Bay plant during the last session in April.

But leftwing sources saw the existence of differing opinions within the leadership as a normal phenomenon for such a large country as China.

A source pointed out that when Beijing gave the green light for the project in December 1982, after a feasibility study that took two years, Li had only been a member of the Central Committee for about three months.

OFFICIAL REPORTS FOREIGN VENTURES EXCHANGE DEFICIT

HK160441 Hong Kong SOUTH CHINA MORNING POST in English 16 Jul 86 Business Post p 3

[By Oliva Sin]

[Text] Foreign ventures operating in 19 key provinces and cities in China reported a total foreign exchange deficit of US\$579.87 million last year, according to a senior Beijing official.

Mr Chu Baotai, deputy director of the foreign investment administration of the Ministry of Foreign Economic Relations and Trade (MOFERT) said the findings were revealed in a survey done by the government on foreign enterprises, including joint ventures.

Cities covered by the survey included Guangzhou, Xizmen, Tianjin and Beijing, while provinces included Fujian, Guangdong and Qinghai.

The total number of ventures sampled was not disclosed.

Mr Chu told a press conference yesterday only Qinghai had a foreign exchange surplus of US\$30,000 while the others suffered from a shortfall.

He said the deficits were attributed to the huge imports of vehicles and raw materials by foreign enterprises in 1984 and last year.

Guangdong alone accounted for almost half of the \$578.87 million deficit, he said.

(Guangdong has a concentration of foreign investment in view of its proximity to Hong Kong).

The survey also revealed that foreign enterprises spent \$1.28 billion on importing parts and raw materials last year.

In contrast, they could generate only \$472 million by exporting their products.

Nevertheless Mr Chu said the figure could not be taken to reflect the foreign exchange capacity of foreign ventures in China since the survey included many new ventures in the pilot stages.

He said many of the problem ventures were manufacturing operations which relied on imported parts and components but sold their products on the domestic market.

As a result, they failed to balance their accounts in foreign exchange because their earnings were in yuan but expenditures in hard currency.

He said many of these ventures were engaged in manufacturing TV sets, automobiles, meters, telecommunications and well drilling equipment.

"The shortage of these supplies on the domestic market means that joint ventures can sell at a higher price than export," he said.

That is why, many of these ventures have accumulated handsome profits in Chinese currency which their foreign partners cannot repatriate.

(Chinese currency is not freely convertible, except when authorized by the State Administration of Exchange Control.)

Mr Chu cited the example of TV manufacturing joint venture set up by the Japanese firm Hitachi in Fuzhou.

Mr Chu said the Japanese firm instead of exporting the TV sets, sold them locally and is now having foreign exchange problems.

Meanwhile, he said China has relaxed the extension of credits to joint ventures to help them solve funding problems.

The measure, which came earlier this month, includes both foreign exchange and yuan loans.

China imposed a freeze on credits last year after the country experienced a drastic drop in its foreign exchange reserves.

As a result of the credit squeeze, many state-owned enterprises and joint ventures suffered from cash flow problems.

A number of joint ventures could not get off the ground because they failed to obtain bank support.

Mr Chu said the credit relaxation will be implemented by the Bank of China and other specialised banks, such as the Industry and Commerce Bank.

Nevertheless, observers said the move does not mean China will loosen its grip on foreign exchange.

They said China will continue to adopt stringent measures to restrict the import of consumerables, production lines for the manufacture of electronics appliances and unnecessary raw materials.

One source said there is little hope for China to relax its use of foreign exchange in the next 12 months.

Mr Chu, who earlier spoke at an investment conference organised by the Hong Kong General Chamber of Commerce, said China's foreign exchange reserves will improve this year.

"We have successfully controlled the buying spree and our exports have been growing in recent months," he said.

Mr Chu admitted that foreign investors were worried over the drop in China's foreign exchange reserves.

MEETING ON SEZ LAWS, REGULATIONS CONCLUDES

HK111152 Hong Kong WEN WEI PO in Chinese 11 Jul 86 p 2

[Special dispatch from Zhuhai by reporter Kuang Yu: "The State Council Recently Held a Meeting To Study the Formulation of Laws and Regulations for Special Economic Zones"]

[Text] A seminar on the feasibility of regulations for all special economic zones in China, presided over by Zhang Ge, deputy director of the Special Economic Zones [SEZ] Office of the State Council, ended yesterday. The purpose of the 2-day meeting was to explore and study how to formulate national laws and regulations for special economic zones in the future and to do preparatory and advisory work in this respect. Chinese and foreign businessmen who make investments in the special economic zones will have detailed and unified legal documents to follow.

The meeting was held at Baiteng Hu, Zhuhai. Participants at the meeting were responsible persons and professionals concerned from Xiamen, Zhuhai, Shantou, and Shenzhen Special Economic Zones, and responsible persons concerned from Beijing and Guangdong Province.

The meeting mainly carried out initial study and exploration in accordance with the new situation of the special economic zones at present, new problems emerging in the foreign-oriented economy of various special economic zones, and the respective characteristics of the various special economic zones. It is hoped that when conditions are ripe, realistic and far-sighted national laws and regulations for special economic zones will be formulated for deliberation and approval by the NPC.

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